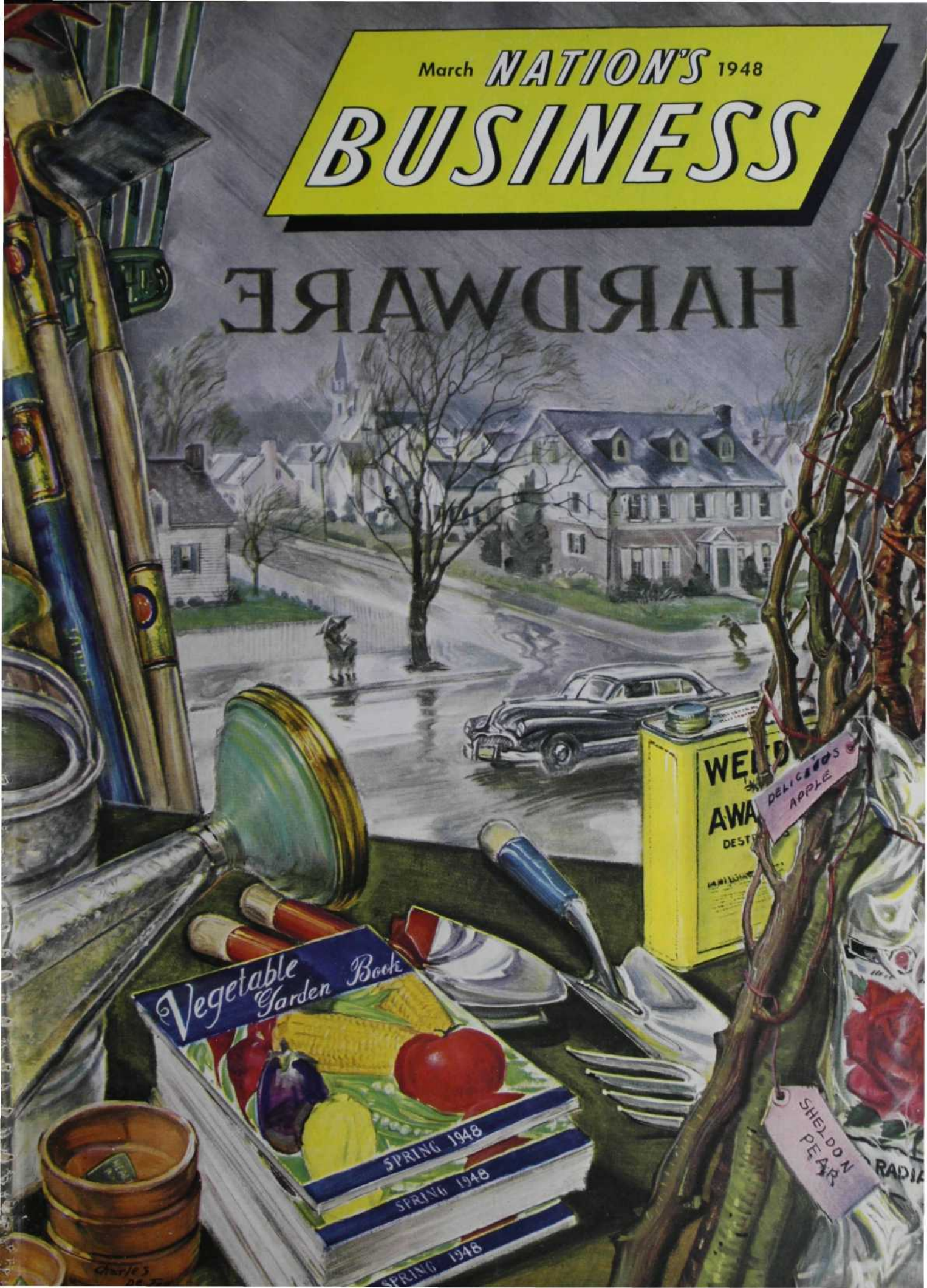


March *NATION'S* 1948

# *BUSINESS*

## HARDWARE



# problem...



# solution

Toughness is important in children's toys, chiefly because: (1) it reduces loss from breakage in fabrication and shipment; and (2) it helps toys take the rough treatment healthy youngsters hand out. In Hercules cellulose acetate, plastics manufacturers have found the toughness they need at the lowest possible cost, plus the added advantages of quick and easy molding, unlimited colorability, and extreme light weight.

# result...



\* TO REDUCE BREAKAGE LOSS IN TOYS... another development utilizing Hercules chemical materials. The free book, "A Trip Through Hercules Land," describes other uses of Hercules chemicals.



## HERCULES

HERCULES POWDER COMPANY

947 Market Street, Wilmington 99, Delaware

CHEMICAL MATERIALS FOR INDUSTRY



## Only in B. F. Goodrich truck tires do you get nylon shock shields

### *A typical example of B. F. Goodrich improvement in tires*

WHEN a heavy truck hits a rock or curb or rut, it's the tire that must absorb the blow. Too often such impacts lead to bruises and blow-outs. Too many truck tires reach the scrap pile before they are worn out.

To provide far greater protection against such failures B. F. Goodrich now puts a nylon shock shield under the tread of every truck tire in sizes 8.25 and larger.

Nylon is extra strong and elastic. The nylon shock shield absorbs the impacts, protects the rayon cord body. Truck owners get a four-way saving:

- (1) Average tire mileage is increased.
- (2) Tires have greater resistance to bruising.
- (3) There's less danger of tread separation.
- (4) A greater number of tires can be recapped.

More and more truck owners want only tires with the protection of the nylon shock shield. For example, the photo shows two out of more than 50 of these new tires purchased recently by Gillette Motor Transport, Inc., Dallas, Texas. They expect to get from 50,000 to 60,000 miles of service on drive wheels and much more on trailer wheels.

The development of truck tires with a nylon shock shield is typical of the constant improvement being made in all types of tires by B. F. Goodrich. Remember, *only* from B. F. Goodrich can you get truck tires built with nylon shock shields. This costly development costs you nothing extra. *The B. F. Goodrich Company, Akron, Ohio.*

*Truck Tires* BY  
**B. F. Goodrich**

# Are Americans Wiser than Chinese?

Are Americans wiser than the Chinese? Of course not. The Chinese have more thousands of years of wisdom behind them than we have.

Then why do Americans have more food than the Chinese?

Is the average American a better man than the average Pole? Of course not. There are countless American citizens whose ancestry is Polish.

Nevertheless take any civilization in recorded history and see if you can find a land or a people so blessed with the things that make life good and worth the living.

Why is this? After all, Americans are just like the peoples they sprang from in other lands.

No supermen built this country. It was the Climate of Freedom that made the American business man prosper where, in other lands, his work was partially nullified by unfavorable political systems of one kind or another.

We at Burlington Mills consider ourselves fortunate that we were able to work in this Climate of Freedom and build perhaps the greatest textile organization of its kind in the world—prodded on by the competition of other mills also free to seek the favor and patronage of the American people.

Thus, unwittingly, because Bur-Mil fabrics are worn by millions and used to adorn millions of homes, Burlington is “woven into the life of America.”

Burlington Mills  
“Woven into the Life of America”



EXECUTIVE OFFICES, Greensboro, N. C.

Makers of • Women's Wear Fabrics • Men's Wear Fabrics • Decorative Fabrics • Cotton Piece Goods and Yarns • Hosiery • Ribbons



## ***"THE BEST IS YET TO BE"***

The telephone will be seventy-two years old this year. Its development within a single lifetime has been a modern miracle. Yet it is only the beginning.

There are any number of men and women in the telephone business today — some just starting out — who will see greater progress than the past has ever known.

Year by year the next half century will be increasingly theirs. New leaders will appear from among them. Step by step, rung by rung, they will mount the ladder to the top. For telephone management is employee management and comes up from the ranks.

There will be more good jobs in the telephone business in 1958 and 1998 than now. It just

can't help being that way. For of all the trades and professions there are few more interesting and necessary.

So the future is bright for those who work for the telephone company, for those who use the telephone and for those who have faith in its growth and development. "The best is yet to be."

**BELL TELEPHONE SYSTEM**





## WE ARE NOTED FOR BOTH!

● Sheer quality of service is the unchanging principle that has made us the largest business engineering organization in the world—thoroughly qualified to serve you better.

YOU'VE GOT TO SPEND MONEY TO MAKE MONEY

# GEORGE S. MAY COMPANY

*The World's Finest Business Engineering*

840 N. Michigan Avenue  
Chicago 11

122 E. 42nd St.  
New York 17

291 Geary Street  
San Francisco 2

660 St. Catherine Street, West  
Montreal, Quebec, Canada

OFFICES IN OTHER PRINCIPAL CITIES

# Nation's Business



PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 36

MARCH, 1948

No. 3

N. B. Notebook	8
Management's Washington Letter	17
TRENDS OF NATION'S BUSINESS	21
The State of the Nation	Felix Morley
The Month's Business Highlights	Paul Wooton
Washington Scenes	Edward T. Folliard
The Men Behind the Candidates	Carlisle Barger
When we elect a candidate, we also elect his friends	
Farewell, Little Red Schoolhouse	Junius B. Wood
The school of tomorrow will be more like a club	
Even You Can Photograph Well	Harold Helfer
A good photographer can make you a man of distinction	
Is Big Business a Threat to You?	J. A. Livingston
It's hard to name an industry that hasn't had its face changed	
Read Me the Meaning Thereof	Reynolds Girdler
The Delphic Oracle would find more competition today	
Tax Gatherers Are People	Jerry Kluttz
Nobody likes taxes, but collecting them is no bargain either	
Political Thunder in the West	J. Lacey Reynolds
The rumble will jar sensitive eastern ears	
Your Pencil Could Tell a Sharp Story	C. Lester Walker
Old Folks Get a New Look	John LaCerta and Barbara Barnes
Acorns of Industry: Our Colonial "Iron Plantations"	Lawrence Drake
Farmers on the Air	Creighton Peet
Eggs of Many Hues	Donald Robinson
Miracles in Stationery	Herbert Corey
Don't Order Rain à la Carte	Haydn S. Pearson
You'll be smart to invite a lawyer to your "shower"	
It's a Nutty Life	Reynolds Girdler
Reading for Pleasure or Profit	
Odd Lots	
On the Lighter Side of the Capital	

CIRCULATION OF THIS ISSUE 607,000

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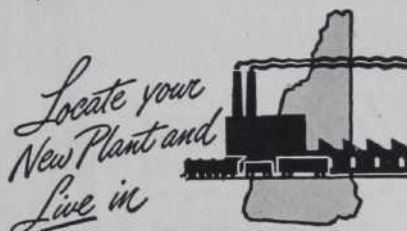
The family unit is strong  
in New Hampshire  
and that makes steady,  
dependable workers

Where people live well in pleasant, uncrowded surroundings, they work well. Accustomed to industrial work through many generations, home-owning New Hampshire people take quite naturally to special skills.

Low power rates and excellent transportation add important reasons for industrial location in New Hampshire. Splendid highways, kept open the year around, help industry to keep humming every working day in the year.



WRITE for booklet, "A Plant in New Hampshire." Address Merrill J. Teulon, Industrial Director, 302 State Office Bldg., Concord, N. H.



NEW HAMPSHIRE

Where there's a Plus in every pay envelope

State Planning and Development Comm.  
CONCORD, NEW HAMPSHIRE

If more convenient, you may address: New Hampshire Information Bureau, 10 Rockefeller Plaza, New York 20, N. Y.

## KEEP PROSPECTS REMINDED with "AUTOPOINT" BUSINESS GIFTS



### GIVE "AUTOPOINT" IMPRINTED PENCILS

These are just a few of the famous "Autopoint" Pencils with "GRIP-TITE" tips that won't let leads wobble, turn or fall out... the trouble-free writing tools acknowledged "best" of all mechanical pencils.

With your name or slogan imprinted, they are business gifts your prospects and customers won't soon forget. Beautifully styled, handsomely finished... and there's an "Autopoint" Pencil at a price you can afford to pay. Send coupon for catalog and quantity prices.

### Give Instant Action "Autopoint" Index

Press just one key and index flips back to alphabetical page on which to enter names, phone numbers, data, etc.

4" x 5" index cards can be withdrawn and replaced easily. 100 extra 3" x 5" memo sheets in base. Beautifully finished in walnut or black. With your name imprinted, it's bound to be a real sales booster.

**Autopoint**  
TRADE MARK  
BETTER PENCILS

Fit any Pocket... Every Pocketbook

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1801 Foster Avenue, Chicago 40, Illinois

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☐ Have Salesman call

Name.....

Company Name.....

Street Address.....

City.....Zone.....State.....

## About Our AUTHORS

IT WAS in the summer of 1929 that J. A. LIVINGSTON decided that the financial outlook for a reporter named Livingston looked dim.

So with a few friends he formed a modest investment trust and plunged into the then boiling stock market. Their first purchase was a few shares of American Car and Foundry at 99 $\frac{3}{4}$ . It got to be 100, he recalls, and that's the highest it has been since. Ten days later the panic started. Nevertheless, when the trust was disbanded in 1935 it could point to net earnings of 25 per cent. In the meantime, Livingston had gotten directly into economics as a staff member of the New York *Daily Investment News*. He subsequently became an editor of *Financial World* and economist for a business magazine.

Livingston recently came to the *Washington Post*. His business column is now syndicated in more than 60 papers.



BACHRACH

MAYBE HAROLD HELFER is sticking his chin out by telling business men how and how not to behave when they're having a picture taken. But sticking his chin out is nothing new to Helfer. He's done it before: On his way to cover the fighting on Okinawa as a Marine Corps combat correspondent he became stranded on a Pacific isle. Contrary to regulations, he hitched a ride on an ammunition ship that was going his way—and at a time when the Jap kamikazes were making life rough for all concerned. Though Helfer was born in Rochester, N. Y., he moved south with his family when he was still a kid. Continued southern exposure has convinced him that Washington is as far north as he wants to make his headquarters. He now lives in Arlington, Va., across the Potomac from the nation's capital.

THIS MONTH—in addition to his regular feature, "Odd Lots"—REYNOLDS GIRDLER has contributed a story about the various types of business forecasting services and the seers that dreamed

them up. Because he has spent most of his time on Wall Street doing financial advertising and publicity, he has had frequent contacts with these modern oracles of the business world. "Generally speaking," says Girdler, "the guy with the biggest holes in his shoes is always the most vehement in his claims. The old question 'if you know so much, why aren't you rich?' seems never to bother him."

FOR MANY years CREIGHTON PEET, who is a New Yorker—at least he lives there, used to turn out reams of movie and stage criticism—doing a daily column for the New York *Post*, a weekly page for the old *Outlook* and a monthly section for *Stage* magazine. Though he has since switched mainly to writing industrial articles for magazines, he still does New York theater reviews for the Los Angeles *News*. Peet has also done the words and pictures for seven photographic books for children (he has one of his own). Three of these volumes were chosen as Junior Literary Guild selections.

THE AUTHOR of "The Men Behind the Candidates," CARLISLE BARGERON, is well acquainted with

the subject of presidential aspirants and politics generally. In fact, he is perhaps the only man alive ever to have undertaken the publicity campaigns of two presidential candidates at the same time—in 1940: Styles Bridges of New Hampshire, seeking the Republican nomination; Jack Garner of Texas, the Democratic. Barger, a veteran newspaperman, is now free-lancing. He is the author of "Confusion on the Potomac," published in 1941.



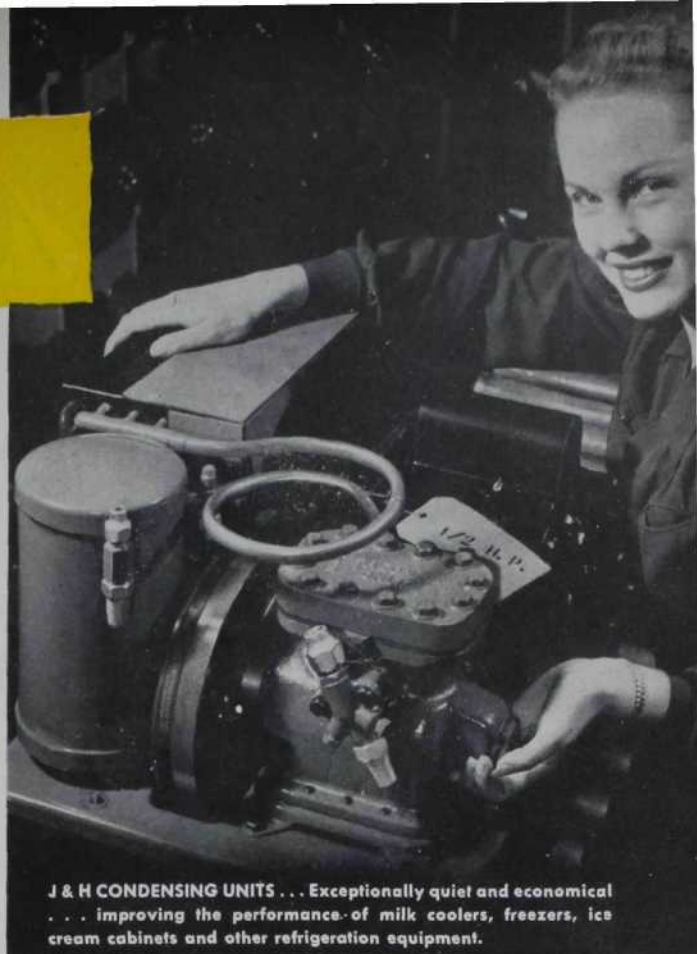
DEL VECCHIO

TO HELP meet world food needs, Secretary of Agriculture Anderson has called for 20,000,000 Freedom Gardens in 1948. Soon home gardeners will flock to their local hardware stores for supplies—or the latest seed catalog, such as the one CHARLES DE FEO has depicted in the cover painting.

# Here's to Quality!



**J & H ELECTRIC MOTORS** . . . Quiet, light-weight . . . more than a million have rolled off the lines of J & H during the past 22 months.



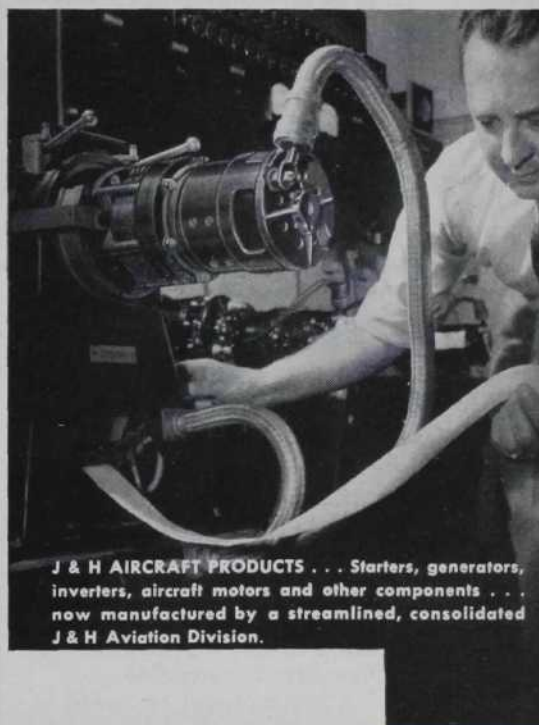
**J & H CONDENSING UNITS** . . . Exceptionally quiet and economical . . . improving the performance of milk coolers, freezers, ice cream cabinets and other refrigeration equipment.



**J & H BALL BEARINGS** . . . Made to new high standards of controlled precision . . . super-hard and tough . . . today are reducing friction and wear in automobiles, machinery and appliances.



**J & H MAGNETOS** . . . World-famous Eisemann. Jack & Heintz engineers are continually improving them for easier engine starting.

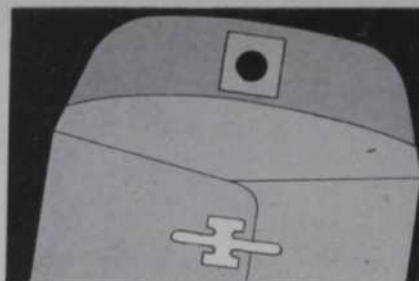


**J & H AIRCRAFT PRODUCTS** . . . Starters, generators, inverters, aircraft motors and other components . . . now manufactured by a streamlined, consolidated J & H Aviation Division.

*Jack & Heintz* products . . . mass produced with laboratory precision . . . are bringing to appliances, machines, tools and engines a new high standard of quiet, smooth, dependable performance. Ask for these J & H products for outstanding quality.

Better products through  
**JACK & HEINTZ**  
Mass Precision

**JACK & HEINTZ PRECISION INDUSTRIES, INC.,** Cleveland 1, Ohio



24

**different sizes of  
Columbian Clasp  
Envelopes  
serve every  
business need**



**FREE TO EVERY MAN  
WHO SEEKS SUCCESS**



**"FORGING  
AHEAD  
IN  
BUSINESS"**

This dynamic little book will stimulate your thinking, and point the way to earlier success in business.

It is a practical 64-page guide to progress—based on the Institute's 39-year experience in the Executive Training field.

A free copy will be mailed to you upon receipt of the coupon below.

**ALEXANDER HAMILTON INSTITUTE**  
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New York 10, N. Y.

Please mail me, without cost or obligation, a copy of "Forging Ahead in Business."

Name.....  
Street.....  
City.....State.....

**NB**  
*Notebook*

### Early holiday

HOLIDAYS can't come too early for children. Their grown-up brothers and sisters at schools and colleges also offer no objection when the holiday recess moves up on the calendar.

Only the merchants of the country are a little anxious about the early Easter this year. It cuts down on their holiday selling season and extends the clearance period. After a bang-up Christmas business that sent the trade total for 1947 to \$118,000,000,000, Easter sales must soar to keep pace. Maybe the "New Look" will help.

Early Easters, incidentally, have a way of marking critical business years. They occurred in 1921, 1929, 1932, 1937 and 1940.

### Break even

FOR whatever they were worth—and they didn't shape up too well for 1947—business forecasts for 1948 took a hopeful view of the first six months. One point stressed in some comment, however, was the problem of "break even" in the event of any reversal of the business boom.

By the "break-even" point is meant the level of business volume at which profit disappears. Profits have been sustained by high volume in spite of greatly increased costs for materials, plant and equipment and other incidentals as well as for labor. When the tide turns the other way, the red ink will show in company books much sooner than it did before the war.

Thus, 892 companies which have been reporting to the Securities Exchange Commission report in the aggregate that their "break-even" points have more than doubled since 1939. They must sell as much as they did in the years 1935-39 merely to operate without loss, according to one authority.

Most of these companies are

manufacturers but the same problem confronts retailers. A decline of ten per cent in sales volume would cause anxiety, leading merchants assert, and a drop of 15 per cent would mean trouble.

### More to save

TO "Win the Peace" as we won the war, there will be some high figures to beat in purchases of U. S. Savings Bonds, particularly those on payroll savings. The peak was made in 1944 when 26,700,000 persons permitted payroll deduction for a total of \$8,100,000,000 in E Bonds. The number sagged to 4,500,000 in 1947 for a total of a little more than \$1,000,000,000.

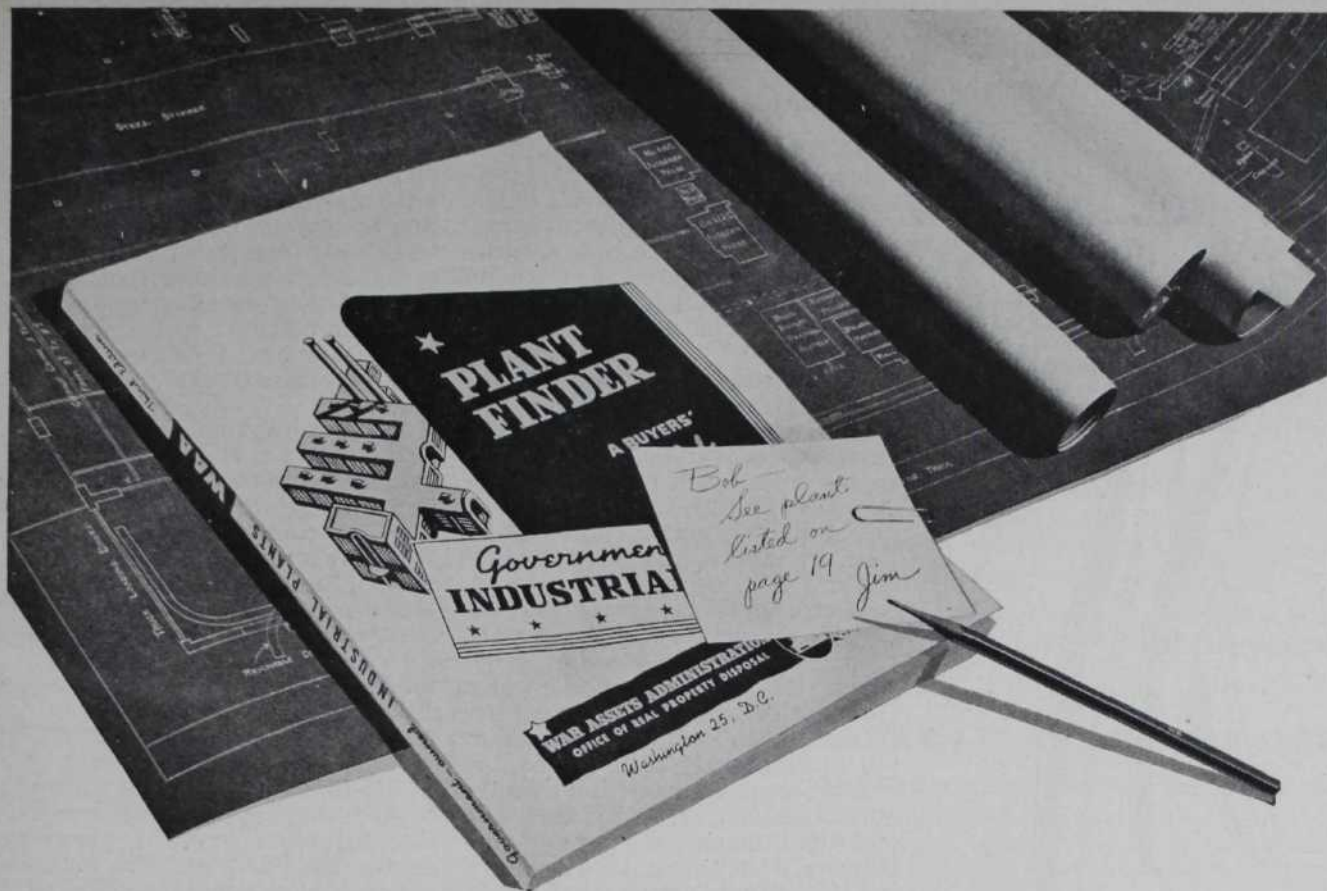
Winning the peace is not just a humanitarian project right now. The bond-buying plan can have direct effect on grocery and clothing bills, economists assert. Their slogan could be, "Save more, and you will have more to save!" In short, fewer dollars will be competing for the goods in the market place, and prices ought to recede as a result.

### Who are we?

ONE of the big advertising agencies in New York has started a series of weekly bulletins which it calls an office "Who's Who." The duties and responsibilities of each staff member, Brass included, are detailed so that everybody knows what the other person is doing—and incidentally how important each operation is to the scheme of things. Copy men take care of the write-ups.

The radio receptionist, it seems, has a lot more to do than smile sweetly when she says, "Mr. Jones is in conference." She runs off stencils, gets the right commercial to the right mike, keeps the files up to date and housekeeps the office supplies.

The management reports the bulletins get across significant de-



# This New Plant Finder may *solve your* problem, too!

**MANY READY-BUILT,  
READY-TO-OCCUPY  
PRODUCTION FACILITIES  
AVAILABLE NOW!**

A few minutes with this latest revised edition of the Plantfinder may well save hours of time—and money, too—for industrial executives, or proprietors of smaller businesses who face plant relocation or expansion problems.

This new, condensed edition describes many good, usable, strategically-located properties available for you to bid on now. It includes buildings suitable to nearly any kind of general manufacturing, special-

purpose plants, warehousing space, production and processing equipment—all types and sizes of facilities, from coast to coast and border to border. Some of these may exactly suit your requirements or be easily and economically adaptable to your needs.

Send for a copy of the Plantfinder today—to the address below, on your company letterhead, please. Consider the advantages of the properties it describes. Then phone, write or wire our nearest Field Office for further information.



ROOM 1402 "I" BUILDING, WASHINGTON 25, D.C.

**Field Offices:** Atlanta • Birmingham • Boston • Chicago • Cincinnati • Cleveland  
Denver • Detroit • Grand Prairie, Texas • Jacksonville • Kansas City,  
Missouri • Los Angeles • Minneapolis • Nashville • New Orleans  
New York • Philadelphia • Richmond • St. Louis • San Francisco • Seattle

## Do You Know

# Beans

## about South Carolina ?



Beans, other vegetables and fruits from the rich South Carolina soil—for example, this State ships more fresh peaches than any other—support a growing business in canning, pickling and preserving.

Companies employing from 1 to 440 persons are processing these "natural resources"—everything from shrimp to cucumbers. With an abundance of its own "raw material" and close to the citrus fruit belt, South Carolina has plenty of room for profitable all-year operations.

Labor's no problem. Local markets are growing. It's a quick haul to the East and Midwest. Taxes are favorable. Furthermore, the State Government has organized a group of trained men to help business and industry. For specific information, write today: Research, Planning and Development Board, Dept. J, Columbia, South Carolina.

# South Carolina

WHERE RESOURCES AND MARKETS MEET

tails of the company's operations in "small and palatable doses."

### Puff business

VANITY is not an uncommon trait among males although it is associated rather with the female of the species. When the argument comes up, the women can point to a warning recently issued by the National Better Business Bureau to the effect that "Puff Sheets Are Still Active."

A puff sheet is usually a magazine that appears irregularly and circulates only among puffers. The newspapers or trade journals carry a few lines about Smith's promotion or Smith's speech. The puff sheet sends a representative who wants a picture and a full life history.

Smith gets the proof of this laudatory article for "necessary corrections"—and also an order blank for 100 copies or more at a juicy price per copy. So do all the other Smiths, and when enough of them sign up for their quotas, the puff sheet is issued with a circulation confined to the puffers who may mail them to friends and customers, if they are not too ashamed of the obvious nature of the content.

The Business Bureau suggests that prospects ask for a current issue of the publication and an audited statement of circulation.

### Marriages

THE all-time peak for marriages in this country was attained in 1946. Last year the number fell 12.4 per cent under the 1946 total but was still well above any prior year, according to the statisticians of the Metropolitan Life Insurance Company.

Demobilization shot up the 1946 figures and there was apparently a hold-over in 1947. High employment and prosperity were cited by the life insurance men as other reasons.

But, meanwhile, it has also been figured out that to be a bride today costs about twice what it did four years ago, which may also have its effect on the marriage license figures. But we wouldn't enjoy being a forecaster on this subject, because it is also Leap Year.

### Nostalgic

LOUIS UNTERMEYER confesses his book for the New England Confectionery Company (Necco Sweets) was truly a labor of love. In his introduction to "A Century of Candymaking," he writes:

"Being born with more than the proverbial sweet tooth, I have always found myself lingering in the vicinity of some candy store or other. As a youngster I spent my weekly allowance on wonderful penny candies: marshmallow bananas, jawbreakers that changed hue as you sucked from one layer to another, licorice whips, coconut eggs, taffy bites, butterscotch delights, hokey pokey in miniature saucepan complete with tin spoon, coltsfoot sticks, shoelaces a yard long—my mouth waters at the very names."

The deeds of the Necco founder, Daniel Fobes, a Maine country boy who started as a market huckster in Boston, provide more than nostalgic charm for this company history. The result gets far away from some of the stuffy reading too often found in similar works. An excellent pattern, one must agree, for the company book, which has been taken up recently in a big way.

### Push-button selling

PUSH-BUTTON warfare is a threat of the future but push-button merchandising is here and growing mighty fast. Here are some of the figures that were put out at the recent Coin Machine Industries Show at Chicago: 75,000,000 people a week served with entertainment or service; more than 2,000,000 stores and public locations drawing revenue; and some 2,000,000 persons employed.

In a normal year 80,000 candy bar vendors are made, 50,000 cigarette selling machines, 40,000 soft drink dispensers, 25,000 gum providers, 15,000 postage stamp sellers, etc. The list runs through automatic laundries, lockers and shoe shiners, and dispensers of cookies, hot nuts, ice cream, aspirin, razor blades, postcards and a host of other things.

Some of the really new things that were exhibited at the Coin Machine Show were soup vendors, a pinball game with an electrified bat that the player can swing to win extra points, and a scale that tests strength as it provides the usual information on avoirdupois.

### Steel from scratch

THERE was a bit of a fuss about letting the United States Steel Corporation buy the government-owned steel plant at Geneva, Utah, which the company built and operated without charge in the war. Finally, the sale went through on June 19, 1946, and U. S. Steel has issued what it calls a "progress re-

## IT WON'T TAKE THE PLACE OF STEAK

Or fill you with vitamins. Or grow hair on your scalp.

There's not a single, solitary miracle in the Comptometer Payroll Plan. Its only virtue is in the office — where it makes *original* postings yield *final* records.

Some say *that's* miracle enough. Especially when they add up the savings this plan brings as it licks any payroll problem, of any size.

Speedy, simple, accurate, the Comptometer Payroll Plan needs only one short form to take care of five operations. Copying is unnecessary because postings are made directly to the employee wage statement.

The Comptometer Payroll Plan requires no elaborate machines — and less labor — as it hurtles over involved bookkeeping, ceaseless posting and filing.

If you'd welcome substantial economy, just write or phone your nearest Comptometer representative.

## COMPTOMETER

REG. U. S. PAT. OFF.

### ADDING-CALCULATING MACHINES

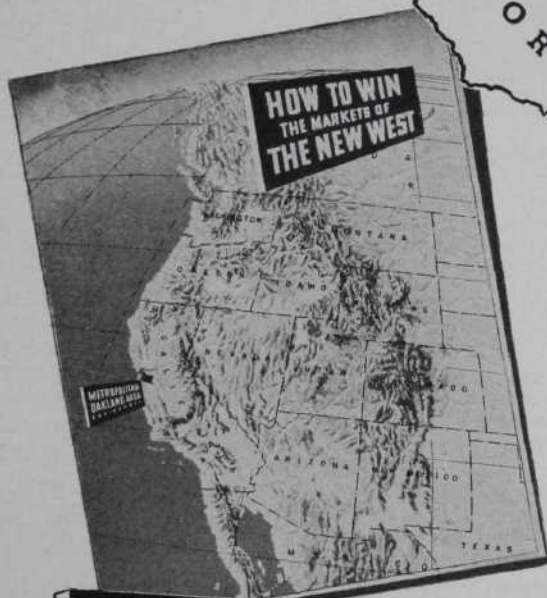
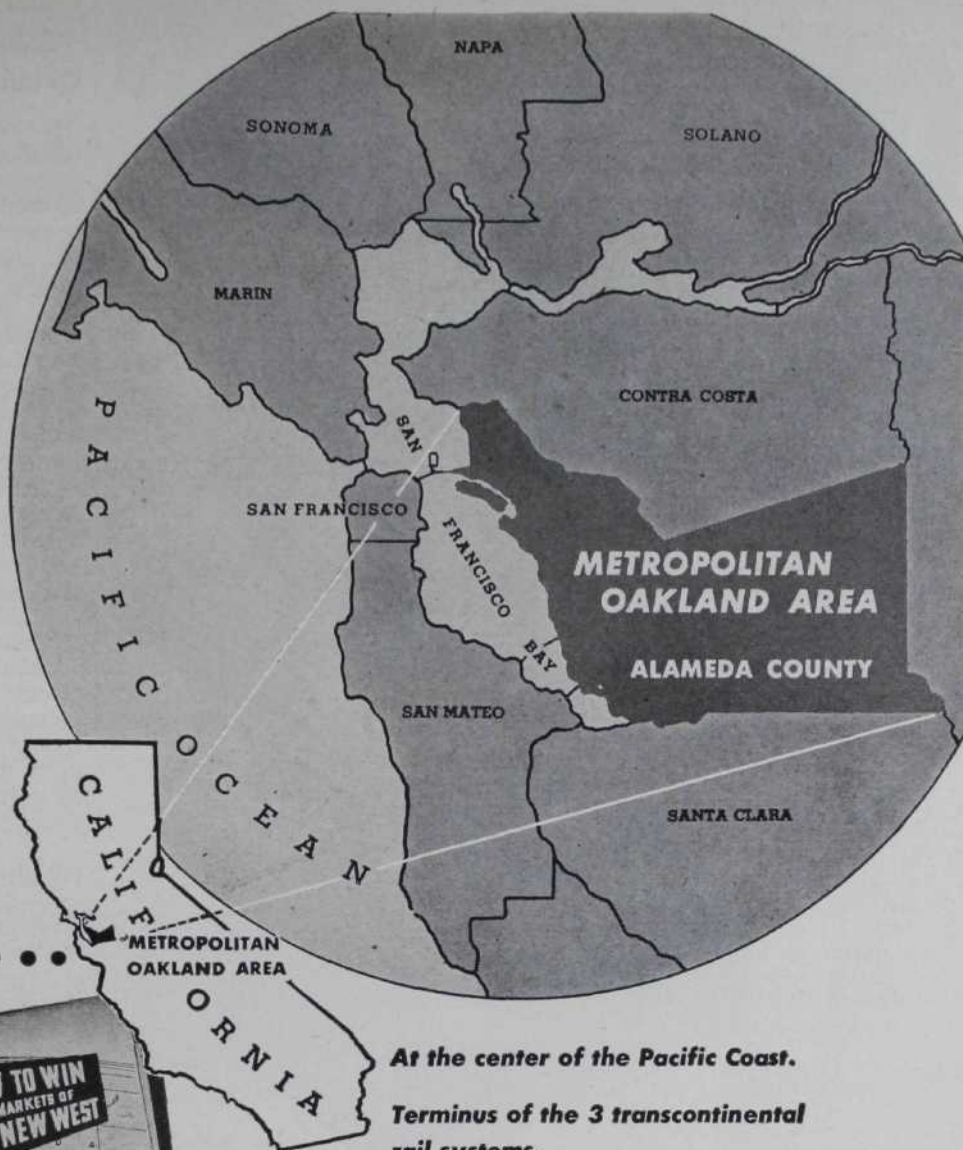
Made only by Felt & Tarrant Manufacturing Co., Chicago, and sold exclusively by its Comptometer Division, 1712 N. Paulina Street, Chicago 22, Illinois.



N. W. AYER & SON



**On the  
mainland  
side  
of the Bay...**



7806

**At the center of the Pacific Coast.**

**Terminus of the 3 transcontinental  
rail systems.**

**Most favorable location for fast,  
low-cost distribution.**

**5 huge fast-growing, high-income markets.**

**Airways center of the NEW West.**

**Centrally located world port.**

### **WRITE FOR THIS FREE FACTBOOK TODAY!**

"How to Win the Markets of the NEW West" explains these and many other advantages of manufacturing in the West to serve the West, and why Metropolitan Oakland Area is its most favored manufacturing and distributing center.

52 pages of data, statistics, photographs and maps that will give you a clear picture of the amazing NEW West and Metropolitan Oakland Area. Ask for this free book today!

#### **METROPOLITAN OAKLAND AREA**

389 Chamber of Commerce Building, Oakland 12, California

**CALIFORNIA GOLD DISCOVERY CENTENNIAL**—Celebrations in Northern California throughout 1948. Many other special events and scores of points of interest. Ask for Special Events folder.

### **The NATURAL Industrial Center of the NEW West**

ALAMEDA • ALBANY • BERKELEY • EMERYVILLE • HAYWARD • LIVERMORE • OAKLAND • PIEDMONT • PLEASANTON • SAN LEANDRO • RURAL ALAMEDA COUNTY

This ➡



Won't Happen  
Here



*Cleanest on Earth*  
**SAFEGUARD**



Non-refillable bottle holds enough SKRIP to stock SAFEGUARD for a year of average use! SAFEGUARD refills in a jiffy—easily, cleanly, without mess or muss!

The curse of reservoir desk sets has always been gummed-up pen points! . . . Not so with Sheaffer's SAFEGUARD! . . . Unlike any other reservoir desk set in the world, SAFEGUARD'S point is always clean—always ready to write! . . . And although six distinct engineering principles are employed in Safeguard's unique design and construction—Fluid Suspension, Fluid Lock, Capillary Attraction, Air Trap, Evaporation Control and Vacuum—there is no moving part in Safeguard—nothing to wear out—ever! W. A. Sheaffer Pen Co., Fort Madison, Iowa—Malton, Ontario, Canada.

**SHEAFFER'S**

terials are yielding it a marketing field day.

## Oklahoma

OIL companies have about one tenth of the country's land under lease most all the time—some 180 to 200 million acres. The lease broker or lease hound signs up farmers and other landowners for subsurface rights on the standard form, Producers' 88. His is an interesting life as a colorful article in *The Lamp*, published by Standard Oil Company (New Jersey), details it. Usually the deal is closed quickly but sometimes it goes slowly and for various reasons.

Thus, on a Michigan farm, a lease hound was kept explaining details of the lease to his man for an hour. The farmer finally climbed down from the roof he was shingling and said:

"Where you from, son?" "From Oklahoma," the broker answered. "Beats me about that accent of yours," the farmer said. "I've been trying to figger it out for the last hour and never did catch on you were from Oklahoma. Now where's that lease you been talkin' about."

## Figuring profits

THE question of profits is tossed back and forth and, like the weather, not much is done about it. Gradually a little headway is being made, it would seem, in getting the layman to realize that profits are not just handed over in toto to the owners of the business. The larger part of them is used to pay taxes and to replace plant and equipment which have the ordinary habit of wearing out.

A suggestion does come forward from E. Stewart Freeman, company auditor and economist of the Dennison Manufacturing Company, Framingham, Mass., for dealing with the replacement angle. He would set up a "capital price adjustment account" and deduct it from profits at the bottom of the profit and loss statement in much the same way as is now done for income taxes. Profits could then be figured before and after this transfer as they are before and after the income tax, he explains, adding that "inflation is in fact a form of taxation, a levy on capital instead of a larger tax on income."

And just to keep the procedure straight, Mr. Freeman would go into reverse when price deflation starts. The amount of decline would be debited to the capital price adjustment account and be added like tax carry-back or refund.

**ONLY DODGE OFFERS  
YOU ALL THESE NEW**

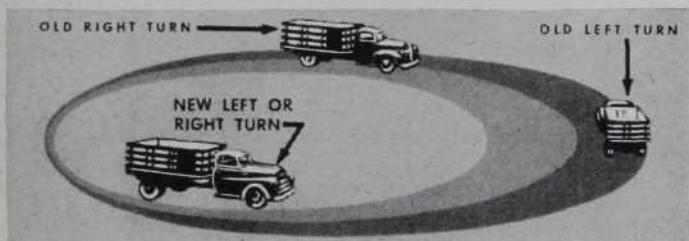
# Truck Features



## 1. MORE SAFETY FROM ALL-'ROUND VISION OF NEW "PILOT-HOUSE" CABS

You get tremendously increased vision . . . in all directions. Windshields and windows are higher and wider. New rear quarter windows add still more to vision, and to safety. Glass area is nearly

200 square inches greater than that of any other standard cab. Driving is truly like "sitting on top of the world" . . . with all the road yours to command. They are the safest cabs ever built!



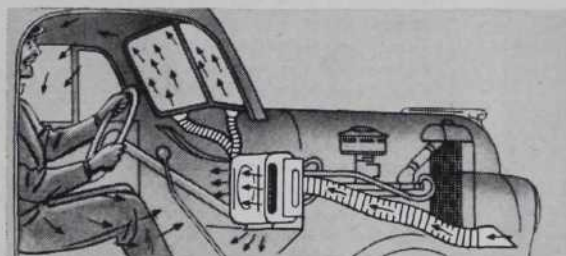
## 3. EASIER HANDLING BECAUSE OF NEW CHASSIS DESIGN

You can turn these new "Job-Rated" trucks in much smaller circles. . . . This is due to a new type of steering, in combination with shorter wheel-bases. Front axles have been

moved back and engines forward, placing more of the engine and cab weight on the front axle. You get much better weight distribution—and steering is much easier.

## 2. MORE SAFETY AND COMFORT FROM NEW ALL-WEATHER VENTILATION

Year-'round comfort assured by a combination of fresh air intake, perfected hot water truck heater with powerful fan and defroster tubes, vent windows, and cowl ventilator.



## 4. NEW "CUSHIONED RIDE"

New weight distribution, wider tread axles and longer springs produce a marvelous new "cushioned ride." "Air-O-Ride" seats give a "soft," "firm," or "medium" seat, controlled by a convenient lever at the bottom of the front seat. There's seven full inches of seat adjustment.



## 5. 248 BASIC CHASSIS AND BODY MODELS . . . ALL "JOB-RATED."

Save money with a truck that fits your job! Choose from 248 different basic chassis and body models, engineered for gross vehicle weights up to 23,000 lbs., and gross train weights up to 40,000 lbs. Every unit of every truck, from engine to rear axle is "Job-Rated" for economy, performance, and long life.

**NEW  
DODGE  
"Job-Rated"  
TRUCKS**

...and only  
Dodge builds  
"Job-Rated"  
trucks!

# AN INVITATION TO BUSINESSMEN *on behalf of producers of the world's goods, from*

## We invite you to the **CANADIAN INTERNATIONAL TRADE FAIR**

MAY 31 TO JUNE 12, 1948 - TORONTO, ONTARIO

*... and we think you'll profit by coming*

This will be the first International Trade Fair ever to be held in North America. It is sponsored by the Government of Canada, which cordially invites United States businessmen to attend.

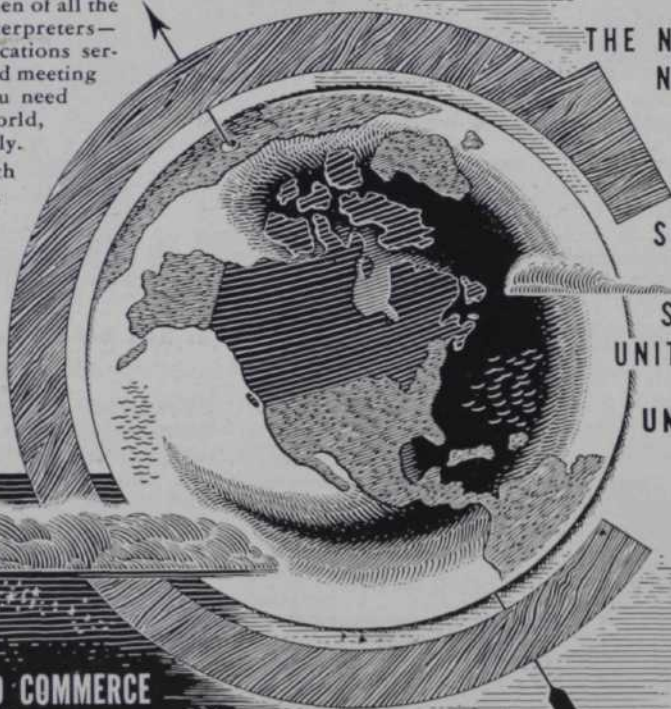
It will be devoted entirely to business. The general public will not be admitted. Every exhibit has been accepted on the condition that the goods displayed are for sale and can be delivered within a reasonable time. Transactions can be completed on the spot.

The products of more than 25 countries will be on display, and buyers will come from every quarter of the globe. For the period of this fair, Toronto will be a world market-place—the sample room of the world on your doorstep—within a convenient day's journey from any city in the United States.

Canada will be the host—but the fair will belong to the traders and businessmen of all the nations. There will be interpreters—special cable and communications services—private restaurants and meeting rooms—all the facilities you need to do business with all the world, comfortably and conveniently.

Official invitations, which are required for admission, may be obtained on application to the Canadian International Trade Fair, Canadian National Exhibition Grounds, Toronto, Canada. Early requests will help to assure accommodation.

ALGERIA  
AUSTRALIA  
BAHAMAS  
BRAZIL  
CANADA  
CENTRAL AMERICA  
CHINA  
COLOMBIA  
CYPRUS  
CZECHOSLOVAKIA  
FRANCE  
GREECE  
INDIA  
ITALY  
JAVA  
MALAYA  
MEXICO  
THE NETHERLANDS  
NEW ZEALAND  
NORWAY  
PALESTINE  
PORTUGAL  
SOUTH AFRICA  
SWEDEN  
SWITZERLAND  
UNITED KINGDOM  
*and the*  
UNITED STATES



**DEPARTMENT OF TRADE AND COMMERCE**  
OTTAWA CANADA

## MANAGEMENT'S *Washington* LETTER

► PRODUCTION AT ANY PRICE is ending rapidly.

There are exceptions. But these become fewer daily.

It's ending in construction because of tightening credit—for construction "progress loans" as well as for building mortgages.

It's ending in many foods because there's more of it in relation to demand.

It's already over in radios, television, stoves, refrigerators, lighter electrical appliances, in a growing list of other manufactured goods, materials.

Production at any price—wartime necessity—reached peak in rush to meet postwar markets.

It was supported by effective demand—demand backed by cash.

But effective demand comes in layers. Top of it is gone.

There is plenty left. But it's softer.

Which means you need to go over your costs with a sharper pencil to qualify for your share of the market.

Break-even points are high. Be sure you know where yours is. Look for soft spots under it.

Where could you cut if you had to?

► WATCH OUT FOR SMALL motors pattern in your own business field.

Year ago fractional horsepower electric motor makers expected demand to outrun supply until 1951.

In past 90 days they've not only balanced (in most sizes)—but prices have begun tumbling. And many motor makers are laying off help.

Here's what has happened:

1] Market surveyors overlooked high production of new manufacturers who came into the field during war—and stayed.

2] They underestimated extent of multiple orders.

3] Shortages (principally steel) have in some instances held down production of fabricators using motors.

But this fact hasn't changed:

Motor production is tremendous. So is its market. But the market is becoming more selective.

► DON'T GO BROKE proving you're right.

It's axiomatic that when an investor gets a margin call first impulse is to sell a strong stock to hold the weak one.

Why? By selling a sliding investment he'd prove he was wrong when he bought it.

Industrial engineers say something like that is happening in a number of manufacturing, distributing companies.

Nearly every maker or seller of goods

took on extra lines during war. Some pay their way, some bring change in character of the business by becoming the main line. Some cost money.

Be sure which yours is doing.

Danger is not so much in possibility that newer sideline will lose what you've put into it.

But if it gets in trouble almost invariably top men in the organization concentrate on saving it.

Which takes the company's best talent off the main job.

So, if you have a war leftover that's not paying its way, maybe you'd best junk it.

Not because you can't bring it around.

But can you afford to—in time, money, effort?

► GOVERNMENT IS TAKING money out of circulation at a terrific rate.

Between six and seven billions is going into cold storage in first quarter through tax collections.

Effect is strongly deflationary.

Removed from commerce, cash is being stored in Federal Reserve Banks.

Flow will be reversed in second quarter as Government pays out this cash for European interim aid purchases, other goods and services.

► COMPANIES PUTTING OFF building programs because of high costs may not be talking about construction costs.

These didn't worry corporations so much as long as they were paying them with cheap money—money borrowed at unusually low interest rates.

That's because over useful life of structure low-cost borrowing would balance high-cost building.

But now interest rates are up—as much as 25 per cent.

And at the same time construction costs continue to rise.

Some won't pay both.

► FIRST GENERAL PRICE CUT in consumer goods came without changing the tags.

That's the merchants' view.

You see it in your daily newspaper ads offering fur coats for \$5 down—with two years to pay.

Or in household goods offered at the same terms.

Plus a few lines offering immediate

## MANAGEMENT'S *Washington* LETTER

delivery with no down payment at all.

You can see it clearly in the new high level—more than \$13,000,000,000—of outstanding consumer credit.

Even with price tags unchanged, credit business means profit cut to most merchants.

It's a concession they're making to move goods—a sales boosting device that costs money.

Some make money on credit sales by adding carrying charges.

But to most it's another slice out of margin. It costs them money to discount their paper, to carry it themselves on bank loans, to keep the books.

Rising credit sales mean—

There's a slowdown in movement of goods relative to availability.

There's increasing competition for the consumer's dollar—even before he has it.

Don't mistake rising credit business simply as effect of overproduction in a few lines.

Department stores that engage in—but do not solicit—charge account business find more than half present sales are charges.

That's reverse of situation year ago.

And it's cross-sectional, not confined to a few departments.

► WOULD YOUR PROPOSED bank loan add to the supply of goods?

An affirmative answer should be part of the qualification to make the loan, according to Joseph M. Dodge, American Bankers Association president.

"Every loan should be required to meet two tests instead of one," Dodge contends, "not merely the traditional test of whether the loan is good, but also a test as to whether the proceeds would be used to contribute to inflationary pressures."

Banks should limit credit which would add to demands for goods, grant credit which would add to supply, he advises.

► HAVE RISING VALUES enabled your insurance agent to make too much money, too easily?

Many fire and casualty companies that hold the insurance think maybe they have.

The agents who write it say emphatically they have not, that their costs

are up like other people's. Companies' contention: Bigger values make bigger policies, bigger commissions for same amount of work.

Fire companies took initiative, sought to cut rate of commission under company-agency contract clause providing for such adjustment by mutual consent.

But agents haven't made it mutual.

So court rulings are expected to settle the issue.

Meanwhile, national organization of agents makes study of member agencies' operating costs to determine fair commission rates.

Many casualty companies await study result before seeking adjustments.

► FEDERAL EXPENDITURES for third year after World War I were \$3,400,000,000.

That's cut of more than 80 per cent from wartime peak.

President Truman's budget for fourth year after World War II is \$39,669,000,000.

But it won't be cut much—probably less than 10 per cent. Here's why:

Only 20 per cent of it—about \$9,000,000,000 is for government expense aside from—

Debt interest, tax refunds (both untouchables), veterans' benefits, foreign aid and defense, which take the other four-fifths.

You can't expect veterans' benefits to be slashed in an election year.

And both foreign aid and defense are represented by hordes of salesmen.

One group offers lightning rods, the other offers insurance.

Each recommends the other's line—and both point to clouds on the horizon.

That rumbling you hear, they say, is thunder.

► SHIPPING MEN SEE THREAT to future U. S. merchant marine in ERP policy.

Under one provision, U. S. would sell 200, charter 300 war surplus ships to Marshall plan nations.

These same nations already have under way ship building programs that will give them tonnage 20 per cent greater than prewar.

Shipping men say as new foreign-built ships replace economically obsolete American vessels, latter will end up as tramps under foreign flags.

With Chinese, Greek, other extremely low cost operations, these would undercut U. S. costs, drive American tonnage off the seas.

Because of wages, quarters and provisions U. S. shipping costs are world's highest.

Therefore U. S. is hardest hit in

price cutting competition. That's argument with which U. S. ship operators hope to change plan, deliver ERP goods under American flag.

► **DEVALUATION OF FRANC** takes one prop out from under U. S. export market.

Before devaluation it took 119 francs (official rate) to buy one U. S. dollar.

Under new rate it takes 214 francs.

That's a 95 per cent increase in cost of dollars—therefore in cost of U. S. food, fuel, fertilizer, automobiles, anything else bought from U. S.

Which means French will take all we'll give them.

But they'll buy less.

Tendency will be to produce more at home for their own needs.

► **BATTLE LINES FORM** over extension of Foreign Trade Agreements Act.

State Department experts say all tariff cuts possible under Act already have been made.

They want renewal so they may make any modifications that may become useful.

And also to demonstrate to the world continuing U. S. interest in international trade.

Failure to renew, they contend, would be interpreted abroad as sign of returning American economic isolation.

Opposition is expected from some branches of agriculture, live stock raisers, watch and woolen fabricators.

Foreign traders, manufacturers with foreign trade potential, several consumer organizations and a few labor unions are expected to support extension.

Present outlook: Congress will approve renewal.

► **SMART MERCHANDISING** means money to you—whether you operate a retail outlet or not.

Department stores find that 25 per cent of their sales result from impulse (unplanned) purchases by customers who come into the store for something else.

Careful, clever display, smart suggestion by sales people have built this up.

If you're not in retailing, point has this meaning:

When your wife stops into her favorite store to buy \$7.50 worth of goods—you'll get a bill for \$10.

► **USE OF ALUMINUM** is up nearly four times over prewar level.

But even at that, there's still plenty of extra production capacity.

In 1939 U. S. used 327,000,000 pounds of the light metal. Wartime peak year,

## MANAGEMENT'S Washington LETTER

2,250,000,000. Present rate: 1,250,000,-000.

Steel men like to point out that aluminum still sells for seven times price of steel. But that's by weight.

► **YOU'LL HEAR LESS** and less talk about meat rationing, but lest we forget—

Let's look at the record to see if controls would bring more equitable distribution of meat.

In September, 1946, month before decontrol, inspected packers in U. S. butchered 359,584 cattle, 438,057 hogs.

In October, first free market month, inspected packers butchered 1,102,882 cattle, 3,114,457 hogs.

These figures show how controls can block supplies—set stage for black market (which almost had meat monopoly as OPA crumbled).

This year beef shortage will develop in April or May, reach peak in mid-summer. End of open pasturing in October will bring increasing supply of animals to market.

Meat Institute figures show this year's meat supply 8 per cent under last year's, 4 per cent above '39-41 average.

► **BRIEFS:** How do U. S. prices affect Marshall plan? Each percentage point of change in average price of basic commodities changes ERP cost by \$68,000,000.

...Farm land values have leveled off after increasing about one per cent per month since start of World War II....If you're not already paying higher rates (compared with last year) for newspaper advertising, chances are you will soon. Probably about 10 per cent more....

There's an oversupply of apples—so the Washington State Apple Commission is spending \$700,000 on advertising this year. That's more than twice 1947 expenditure....Production in U. S. is limited by key materials—not labor—therefore longer hours would not raise it, says AFL....Despite completion of a new \$20,000,000 plant, General Electric reports steam turbine production booked solid five years ahead....It takes 4½ pounds of potatoes to equal calorie value of one pound of wheat. That's why spuds aren't shipped abroad in quantity. ...Total tax revenues, federal, state, and local, took 23 per cent of national income last year.



IN BANKS...

## National Mechanized Accounting



IN HOTELS...

cuts costs up to 30 per cent!



IN DEPARTMENT STORES...

Yes, businesses of *every* type are reporting savings in this range after *mechanizing* their accounting with National Accounting Machines. These savings often paid for the whole installation the first year—and then ran on indefinitely! Some of

these concerns were large, but others employed only 50 or less. Could you cut costs correspondingly? Let your local National representative check your set-up, and report to you *specifically*. No cost or obligation of any kind.

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

*National*

CASH REGISTERS • ADDING MACHINES  
ACCOUNTING MACHINES

# TRENDS



## OF NATION'S BUSINESS

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### *The State of the Nation*

**O**N MAY 7, 1945, the German generals signed terms of unconditional surrender. Three months later the atomic bomb was dropped on Hiroshima and Japan caved in.

The third anniversaries of those historic dates are now approaching. But peace has not yet been proclaimed with either Germany or Japan. Even if treaties could be written for those conquered countries, as has been done in the case of Italy and the minor Axis satellites, there would still be no real sense of peace. The tension between the United States and Soviet Russia is too great.

Wherever the blame may lie, this means that, politically, we have failed to follow through on the most sweeping military victory in modern history. Yet, in the economic and financial fields, we have done much to restore peacetime stability, and even to score some advances on prewar standards. Here is a striking contrast, which explains the lack of balance—the lack even of unity—between the two sides of the national picture.

From the world viewpoint, the state of the nation continues to be wholly abnormal. We have not concluded peace with our once powerful enemies, and beyond that we have engaged in what is accurately described as a "cold war" with an even more powerful ally. From the domestic viewpoint, on the other hand, the state of the nation is far more promising than most people dared to anticipate, this time three years ago.

Of course this is not to say that there are no serious domestic problems, and no justified grievances demanding amelioration. As the Ides of

March approach, most people are even more than habitually aware of the grinding burden of confiscatory taxes. Not a day passes without the sharply diminished purchasing power of the dollar being brought home to everyone. Some vital commodities are in short supply and it isn't only those "just married" who experience housing difficulties.

• • •

Compared with conditions in any other recently belligerent country, however, the American scene is at least relatively idyllic.

China, also, was on the winning side in the last war, and so were Britain, France, Russia and many other nations. Excepting only the British Dominions there is scarcely a citizen of any of these other countries who would not trade places with you who read these lines—if you were foolish enough to swap your way of life for his.

That this should be so, after the unprecedented economic dissipation forced on us by the war, is a remarkable tribute to somebody—or something. Since none of us, no matter how conceited, is likely to claim much personal credit, we are forced to conclude that there really is an amazing potency in the American way of doing things.

If we pursue the inquiry to the end, only one explanation satisfies the facts. The American talent for free cooperative effort, under a system where there is at least some degree of direct relationship between individual enterprise and in-



Accidents cause  
business upsets, too!

*The Policy Back of the Policy—Our way of doing business  
that makes your interests our first consideration*

EASY there, doggie! We know you mean well. But that friendly paw needs to be watched.

Everybody's seen well-meaning efforts turn into accidents. Mr. Jones worried about it when he started his business. How could he get the *right* protection for his employees? He found the answer when a Hardware Mutuals representative called. He got the benefits of the *policy back of the policy* with his workmen's compensation and liability insurance.

His business grew. Also his satisfaction. He had safe, economical protection backed by Hardware Mutuals financial strength and sound management. Prompt, fair claim settlements fostered employe good will. Service was fast, friendly, nationwide. Then came Safety Engineering with a complete accident prevention

program tailored to his *individual* needs. And each renewal-time brought him *substantial dividend savings*.

It will pay you to investigate the plus-protection of all types of Hardware Mutuals insurance. Licensed in every state. Send for a copy of our free booklet, "Industrial Safety Procedure."

*Non-assessable Casualty and Fire Insurance for your  
AUTOMOBILE . . . HOME . . . BUSINESS .*

## Hardware Mutuals

HARDWARE MUTUAL CASUALTY COMPANY  
HARDWARE DEALERS MUTUAL FIRE INSURANCE COMPANY  
*Stevens Point, Wisconsin · Offices Coast to Coast*

dividual reward, alone accounts for the rapidity of our postwar recovery.

This is not an achievement of government. In the United States, as contrasted with other countries mentioned, the past three years have been marked by a diminution of governmental planning; by removal and not further imposition of government controls.

As a result, the native energies of the American people have been progressively freed for general accomplishment, and recovery all along the line has been the result. The credit doesn't go to officials; nor to employers, wage earners, farmers, bankers, professional men nor any other single category. It goes to the people working together as a whole, under compulsions set not by the State, but rather by each individual for himself.

• • •

So, if it were possible to confine one's analysis to the prospects for this nation alone, there would be every reason for quiet optimism. That does not mean exuberance.

Terrible periods—of internal strife, of business depression, of widespread suffering for which no personal deficiency could possibly be held accountable—have beset the United States in the past and could easily do so again. Nevertheless, we seem to possess both the individual intelligence and the collective good will to avert such calamities, so far as they spring from domestic causes. No society can expect more than that.

A free economy cannot ever be wholly stable. The absence of centralized restraint alone makes business fluctuations inevitable. And the damage wrought by such fluctuations becomes less controllable to the extent that a nation is seriously affected by the events outside its borders.

The United States is no longer isolated and henceforth cannot be. As we read and hear of the miseries of other peoples, individually as virtuous and decent as ourselves, American optimism becomes severely qualified. We are ceasing to cry: "Peace, peace; when there is no peace." For, outside the confines of the New World, there seems to be very little peace in the anguished souls of men.

It is because of this uneven outlook that Americans are uneasy. We can scarcely expect continued prosperity if the rest of the world remains pauperized. It is improbable that we shall continue to operate our own delicate political system successfully if other systems cannot be stabilized. As long as the shadow of another war hangs over the world, the sunshine in America will be spotted.

The present twilight zone—neither peace nor war—develops curious psychoses, and some unaccustomed phenomena which are not receiving the study they deserve. A political illustration is found in the increasingly strained relations between the Administration and Congress. In an

election year, with control of the two governmental agencies in rival political hands, some tension is natural. But there are signs of a tension beyond what follows naturally from domestic politics.

The conduct of our foreign relations is primarily a function of the Administration. The Congress can always criticize, and should do so, if by criticism we mean comment that is not merely captious. Moreover, the Congress controls the purse strings and, if dictatorship is to be avoided, that responsibility of representative government must always be taken seriously. When all is said and done, however, the duty of maintaining an honorable peace with other nations rests on the Administration.

The preservation of domestic tranquillity, on the other hand, is primarily a function of Congress. That is emphasized by its doubly representative character—of the various states in the Senate; of the people, according to numbers as well as geographical distribution, in the House. Congress may and should interest itself in foreign affairs, but its primary concern will always be domestic.

• • •

Thus, in a period as unprecedented as the present, a new stress arises in the relation of Executive and Legislature. As the White House sees need for vast commitments abroad, the Congress becomes more acutely conscious of consequent governmental expenditure which must impede and even endanger the full accomplishment of recovery at home. We would expect tension. But what the situation creates is hypertension.

This is a simple example, though an important one, of new and unaccustomed strains. They result not only from the sadly disordered state of the world. They result also from America's new role in world affairs. That role is not, and will not be, an easy one.

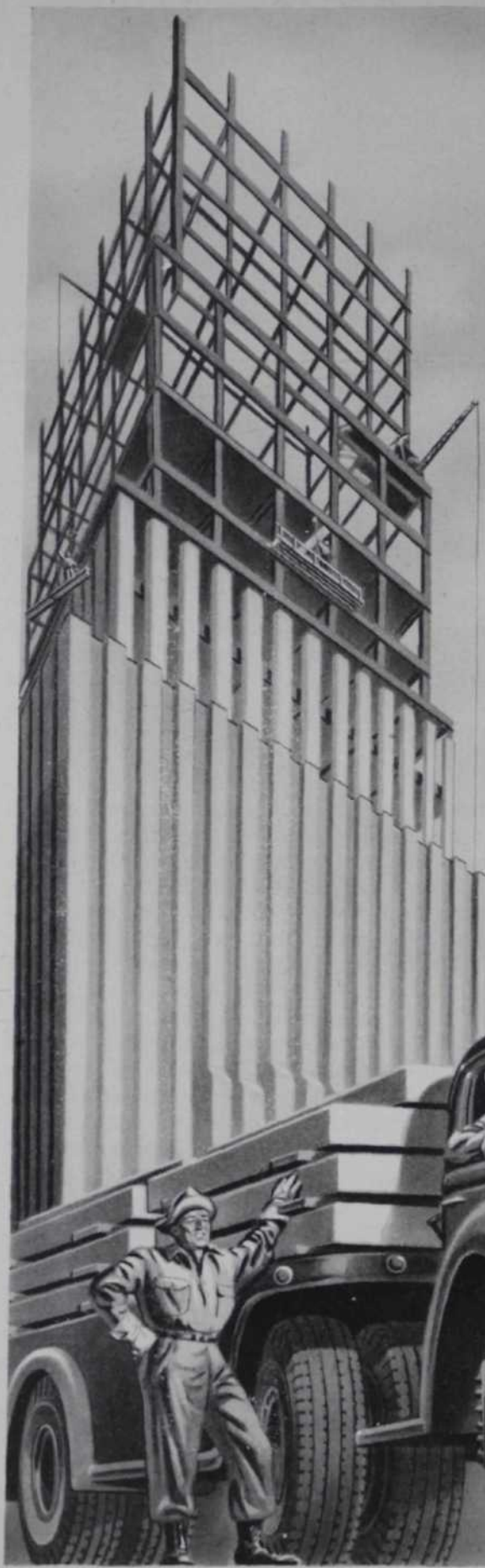
To define the situation, and to point out that our anxieties are rooted in it, is relatively simple. To suggest helpfully what can be done is far more difficult. But one thought must immediately spring to mind: The more divisive the forces and the strains which beat upon us, the greater the need for unity in the fundamental matters on which all Americans agree.

Unity is not uniformity. But, beneath the many changing issues on which we disagree, there are others of a permanent nature on which we can and must unite. That is a good thing to remember in an election year, and most particularly in this election year of 1948.



OF NATION'S BUSINESS

—FELIX MORLEY



# Sound, Solid Construction *from the Ground Up*

One look at a heavy duty GMC is all you need to see that here is a vehicle built to haul big truck loads and do real truck jobs. GMC heavy duties are sound and solid from the ground up . . . designed, engineered, and produced to provide powerful, dependable, long-lasting performance on toughest hauling assignments.

Frames are truck frames . . . deep and thick. Axles are truck axles . . . heavy and strong. Engines are truck engines . . . war-proved valve-in-heads. In every feature . . . in weight ratings from 19,000 to 90,000 pounds . . . GMC heavy duty trucks give you extra stamina and extra value for every dollar you invest. Get one for your job. Many models are now available for quick delivery.

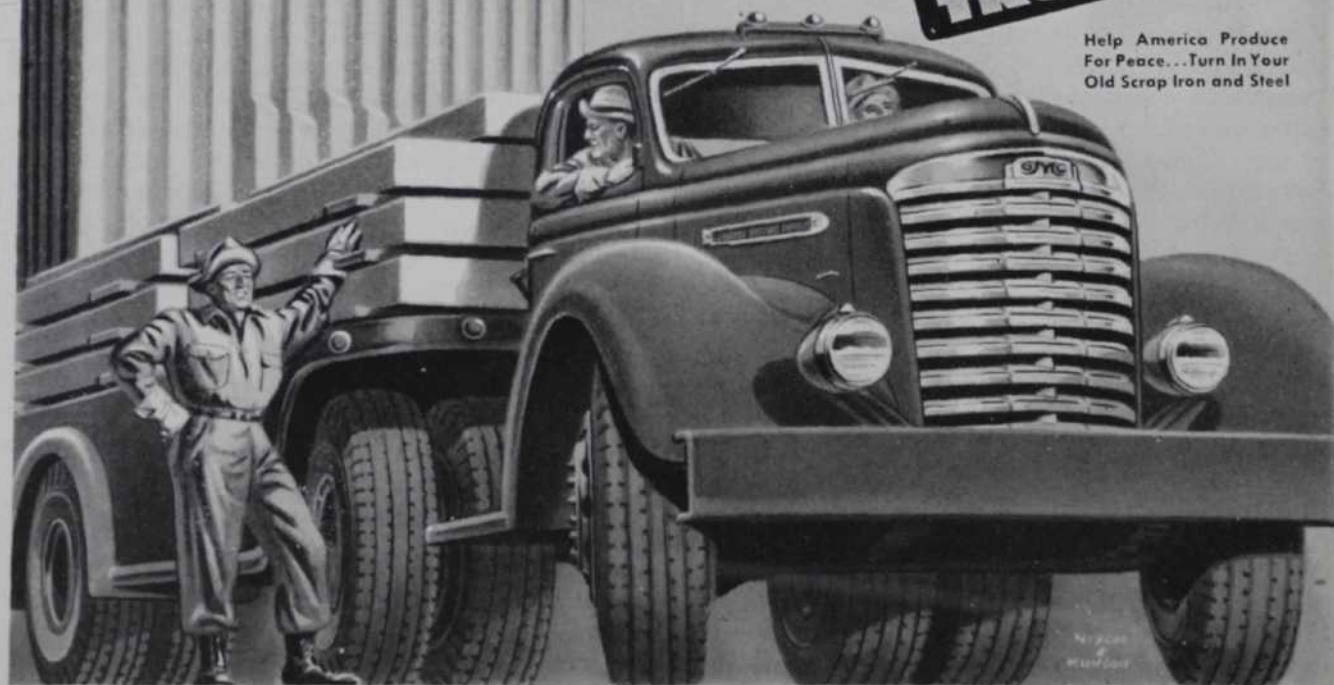
GMC TRUCK & COACH DIVISION • GENERAL MOTORS CORPORATION

THE TRUCK OF VALUE

GASOLINE  
• DIESEL

**GMC**  
**TRUCKS**

Help America Produce  
For Peace... Turn In Your  
Old Scrap Iron and Steel



# The Month's Business Highlights

**W**ITH MOST of the first quarter gone it is more certain than ever that 1948 will be a year of sharp fluctuations and of choosing the least of a number of evils rather than the best of a number of advantages. Should there be additional controls or should nature take its course? How much credit control should be imposed? What needed public works should be deferred? What defense measures should be curtailed? Which items of expense for European recovery could be reduced? Should taxes be reduced? If so, which taxes? These are only a few of the alternatives that must be chosen this year.

In the matter of controls it will have to be decided in the near future whether voluntary action can prevent spiraling into a bust.

## Lower Prices are Needed

While it is claimed that no inflation in history has been licked by voluntary methods, voluntary controls are not devoid of possibilities. If enough low-cost producers have the vision to reduce prices, it might have a psychological effect out of all proportion to the actual amounts involved.

Production of itself may not be all that is necessary to curb inflation. Since payment is made for articles produced, this increases the supply of money. Thus production and money supply go up together. This mutual relationship improves as production increases and price declines. This in turn speeds up progress toward obtaining enough output to meet the demand. The process is slowed down, however, by the payments made for production.

All agree that efforts to reduce the amount of inflation cannot be confined to the increase of output alone. That process would be too slow to meet an acute situation promptly. Steps also must be taken to reduce the supply of money which is likely to be spent for goods.

Much emphasis has been placed on the need to reduce the amount of bank credit that can be extended. Such action could be very effective, but the cure could be worse than the disease. The deflation it would start might get out of hand and precipitate a depression. That is why Congress has been so cautious in granting this authority. It is doubted if the authorities would have the courage to use such powers to the extent necessary to force a turn. More rapid reduction of the national debt would help, because every dollar the debt is curtailed reduces by six dollars the

## TRENDS



### OF NATION'S BUSINESS

reserve available for credit expansion in federal reserve banks.

Other steps that could be taken to reduce the supply of money likely to be spent for scarce goods include reduction in the amount of government lending and guarantees. To be most effective this would have to apply to

construction and housing loans. To curtail them would take political courage. Government expenditures, federal, state, and local, could be reduced. There is great room for improvement in the methods pursued in government procurement.

If tax reduction in the lower brackets of income could be postponed, it would hold back money that would be spent largely for goods, but such action would add pressure to demands for higher wages. Those with medium and higher incomes are much more inclined to resist high prices and to wait until their dollars will buy more. Reducing the tax on corporations would add little to the pressure on scarce goods, but that action does not appeal to the politician.

## Wage Increases Help Inflation

Closer control over exports promises some relief. No other of the factors operating to increase money supply is as threatening, however, as the prospect of wage increases. This could add ten or 20 times as much to potential buying power as tax reduction.

Return to rationing would only result in black markets. There would be no public support for rationing and consequently no way of obtaining effective enforcement.

One thing is certain—industry cannot expect government to curtail expenditures for needed hospitals, schools and roads unless industry itself can find a way of preventing the use of scarce materials in non-essential products. Voluntary action, however, has a tendency to be hard on the public-spirited and to provide a field day for the chiselers.

It seems highly unlikely that Congress or the administration will take the steps necessary to control inflation. There is reason to hope that any break need not be catastrophic. Our margins are wide and our resources great, but any material downturn is certain to be painful. It can be cushioned to the extent that we are able to increase production and reduce the supply of money.

This nation doubtless is strong enough to digest and overcome the evils it cannot escape. What the

# What are your competitors doing about shortages?

A whale of a lot of them have converted to Kaiser Aluminum . . . and are *staying* converted.

But don't take our word for it. Read a few of their quotes, as reported by our men in the field.



## 2. APPLIANCE MANUFACTURERS SAID:

"Nobody had to sell us on aluminum having plenty of customer appeal, but we were afraid of the cost. However, we found that on a unit cost basis, aluminum is just as cheap or cheaper than any other metal. Besides, we saved money on handling and shipping. We've converted to Kaiser Aluminum for keeps."



## 1. STOVE MANUFACTURERS SAID:

"When we converted to sheet aluminum for our gas range griddles, we were afraid consumers would object to its lightness. Turned out they preferred it because it's a better heat conductor and has a fine appearance. That's why we're sticking with Kaiser Aluminum."



## 3. MANUFACTURERS OF HEATING AND VENTILATING EQUIPMENT SAID:

"When we switched to Kaiser Aluminum, our workers were enthusiastic. They liked its lightness, its cleanness, and above all, its workability. What's more, our customers found aluminum duct work far more efficient. We wouldn't think of changing back."

# Kaiser Aluminum

a Permanente Metals product

### What about you?

Why wait when there's a Kaiser Aluminum alloy to meet almost every type of manufacturing operation? Why not join the more than 1,000 manufacturers who today are making more than 600 different products out of Kaiser Aluminum?

Simply call in a Permanente Metals' sales engineer and we'll be on the job, for *you*!

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Cincinnati • Cleveland • Detroit • Boston • Buffalo • New York City • Philadelphia • Washington, D. C.

country has been going through since V-J Day is the aftermath of war. The consequences of this war are the more profound and the more far-reaching, because World War II was the worst conflict in all history. Restoration of normal conditions and of the confidence necessary for stability are taxing our best efforts. The prime objective must be to avoid another war. Its consequences hardly could be less than fatal.

Actual appropriations for the Marshall plan are likely to follow the pattern of appropriations for the fiscal year to end June 30. There were cuts when the budget was submitted, but later restorations have brought the total back at least to the original \$37,500,000,000 figure.

### Bank Loans Aid Inflation

A larger proportion than ever before of the money going into capital expenditures is being borrowed from banks. These loans are adding increasingly to inflationary pressures. It is offsetting the effects of the Treasury surplus. Banks are being asked to curtail this form of lending.

There is a lag between the time expenditures are made for plant construction and the time when the output becomes available for use. In the interim demand is increased and prices forced higher. Enlarging and modernizing the productive plant are desirable but to the extent possible they should be financed from savings out of current income. These expenditures alone now are at an annual rate of more than \$15,000,000,000.

The rate of savings by individuals has declined by one-half in two years. The volume of savings is not large enough to finance the total amount business wants to invest. Investment is outrunning current savings.

Business ordinarily finances most of its needs from its own resources. When current profit is used it is not added to the incomes of stockholders and thus does not become available for the purchase of consumer goods. When securities are sold to the public the effect is not inflationary if payment is made out of current savings but it is now easier and cheaper for corporations to borrow from banks than to sell securities. The economy is helped when funds available for the purchase of consumer goods can be diverted to capital formation. Opportunities to apply sounder methods of financing business exist in every community large or small throughout the whole United States.

An indication that business is slowing down is seen by some in the decline of physical volume in sales at department stores. They think the sag in unit purchases has been caused by lack of buying power after food needs have been met. If that trend continues it will be reflected in production and in employment. As physical volume of department store sales has value in forecasting the course of business as a whole, these figures

are being watched closely. To say the least, the present relationship of department store sales to the course of general business is unusual.

Statisticians have not yet reached an agreement as to the physical volume of retail trade as a whole in 1947. Weight of argument seems to be on the side of 1946 as the year setting the all-time high in the total of actual goods that passed over the country's counters.

There is no question, however, as to dollar volume. With its stupendous total of nearly \$120,000,000,000 of retail sales, 1947 was the banner year of all time.

Physical volume is hard to figure. Most calculations are based on deflation of the prices which allows opportunities for error. It is hard to measure differences in quality. Nevertheless, the forecasters think they have something worth watching in those calculations.

When inflation is producing more injustices than the evils the President proposes to correct with his expensive, long-term social program, the suggestions take on a political appearance. There is nothing unusual, however, in glowing pre-election promises. As a fiscal measure, this year's state-of-the-union message cannot be taken seriously.

• • •

Henry Wallace, it is said, wants a Republican victory this year. This is on the supposition that the boom will break during Republican tenure, as it did during the Hoover administration, and with comparable results. By 1952 Mr. Wallace thinks there will be a clamor for a new deal as there was in 1932, which would give him a chance to use the strategy employed successfully by Franklin Roosevelt.

A secondary postwar boom usually follows a postwar recession. The Marshall plan makes that more certain. Under the pattern business is expected to follow, the early '50's should be a period of prosperity which would redound to the interests of the party in power.

• • •

Departures from consistency are frequent on Capitol Hill. Some of the support for the proposed roll-back of prices is coming from those who oppose controls.

They do not explain how prices could be rolled back without controls.

Advocates of credit restriction were among those who protested bitterly when the authorities let government security prices go down.

PAUL WOOTON





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Then this remarkable prescription . . . *The South* . . . is just what the doctor ordered!

Compounded of all the necessary ingredients for steady growth and sound prosperity, this

tonic has brought the glow of healthy activity and justifiable optimism to thousands of industries . . . new and old . . . all along the 8,000-mile Southern Railway System that "Serves the South." It will be good for your business, too. Just follow the directions:

*"Look Ahead—Look South!"*

*Ernest E. Harris*  
President



### SOUTHERN RAILWAY SYSTEM

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# Washington Scenes

**T**HE 1948 BATTLE for the presidency now moves into a phase where speculation gives way to facts and figures.

Beginning this month in New Hampshire, and continuing almost up to convention time, some 14 states will hold primary elections. In these the voters will have a chance to express their preference for the man they would like to see in the White House. Chief interest will, of course, be focused on the tests of strength among Republican candidates, since the Democratic nomination is President Truman's for the asking.

The primaries can make or break a candidate; they can also be meaningless, a waste of time.

In 1932, Franklin D. Roosevelt proved himself to be the popular choice in the primaries, and, accordingly, was nominated by the Democrats at their national convention in Chicago.

## A Dark Horse Nominated

In 1940, all the money and energy put into the primaries by Republican candidates went for nothing. Thomas E. Dewey ran wild in the primaries. He and Robert A. Taft went into the G.O.P. national convention at Philadelphia with well over half the delegates between them. Yet Wendell Willkie, a late-starting dark horse, stamped the convention and won the nomination on the sixth ballot.

In 1944, the reverse happened. Willkie, seeking his party's nomination for a second time, entered the Wisconsin primary and met his political Waterloo. It was perhaps the most dramatic pre-convention battle in history. The Hoosier, who had boasted that he had the '44 nomination in the bag, was the only man to campaign in Wisconsin. In the voting, however, he got not a single delegate. Governor Dewey, who had asked his supporters to withdraw, got 18 delegates. After that, Willkie was washed up, and the Dewey band wagon irresistible.

From the outset of this campaign, it has looked to many as if it might be 1940 all over again; that is, another Taft-Dewey deadlock, with a dark horse charging in to capture the prize. General Eisenhower, until he took himself out, appeared to be a natural for this role.

Now the man Washington is talking about as the most likely compromise candidate is Senator Vandenberg of Michigan. The big fellow says he is not after the nomination, but he also says that no man in politics has a right to turn it

## TRENDS



OF NATION'S BUSINESS

down. Many think he is the ablest statesman in the Republican Party. That is one argument in his favor; but another, and far more practical argument, is his potential strength in the matter of delegates. Tom Dewey almost certainly would throw his support to Vandenberg if he himself couldn't make the grade.

All that, however, is something for the future. Anyway, a deadlocked convention is by no means a certainty.

Governor Dewey, who has been forced to alter his strategy and throw his hat in the ring alongside Taft's, Stassen's, and Warren's, is now launched on an ambitious hunt for delegates. He's going to round up a lot of them in the upcoming primaries, make no mistake about it.

A veteran political writer, talking about the '48 campaign the other day, observed that the race is not always to the swift, the battle not always to the strong. Still, he said, who else could you bet on but the swift and the strong? He was talking about Dewey.

The Taft people vehemently refute the argument that Dewey is out in front, even though he does top all other Republicans in the Gallup and Roper polls. They predict that the Ohio senator will have a bigger bag of delegates than Dewey when the convention opens in June.

In the other camps, no effort is made to minimize Dewey's strength. It is agreed that, although Dewey may have slipped, he still must be regarded as the No. 1 contender in the G.O.P. field.

What would change this picture? How might Dewey be toppled from his favorable position?

The Stassen people say that two things could bring it about: first, a decline of Dewey sentiment in the popular opinion polls, and, second, a few sharp defeats for the New Yorker in the presidential primaries.

For this and other reasons, therefore, the primaries are worth watching, always bearing in mind that the results will not necessarily dictate the outcome at Philadelphia.

## Dramatic Campaigns

Every presidential campaign has its dramatic highlights. We remember 1936 because of Al Smith's famous "walk" and his crack about nobody shooting Santa Claus; 1940 because of FDR's raid on the G.O.P. and his enlistment of Stimson and Knox in his Cabinet, not to mention

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Willkie and his battlecry of "I want to take on the Champ," and 1944 because of the fateful ditching of Henry Wallace and the overriding issue of the war.

This campaign of '48 promises to be another fruitful one for the historians. Indeed, two events already have lifted it high above the run-of-the-mine campaign. They are Wallace's candidacy on a third-party ticket and General Ike's historic action in removing himself "completely" from the political arena.

It seems to a good many observers here that it is futile to argue about this or that candidate inheriting Ike's strength. First, one has to ask himself where Ike's strength lay. Certainly one reason for his popularity was that he was not a professional politician. A great many of those who favored him, it is clear, were people who yearned for some man who would be above partisanship.

Ike obviously was aware of this. In lifting the siege of himself, he made a remark that did not attract nearly as much attention as other of his remarks.

"Politics," said the famous soldier, "is a profession; a serious, complicated and, in its true sense, a noble one. In the American scene I see no dearth of men fitted by training, talent, and integrity for national leadership. . . ."

This, his belief that the presidency ought to go to a man skilled in the art of government (politics), was one of Ike's reasons for eliminating himself. The other, related to it, was his belief that subordination of the military to civil power in the United States could best be sustained if "lifelong professional soldiers . . . abstain from seeking high political office."

One result of Ike's action, and the only reasonably certain result, is that the next President of the United States will be an orthodox politician, a true party man. Hardly anybody here doubted that Ike's statement had ruined the boom for General MacArthur. As for the talk about Secretary of State Marshall being the Democratic vice presidential nominee, that can be dismissed.

A question that arises as a result of the Eisenhower case is: Can there be a real, honest "draft" in connection with the presidency? Ike never thought so. He thus showed that he was possessed of a much keener political instinct than many of his supporters.

From the time his boom got under way, Ike made two things clear. He said flatly that he would not authorize anybody to put his name up for the G.O.P. nomination, and he said that he would not "connive" to get the nomination. Therefore, he said, it was clear to him that the whole Ike-for-President business was a flight-to-the-moon impossibility.

His supporters didn't mind this. They said it

made no difference how much he protested just so long as he didn't say that he would turn down the nomination if offered. All he had to do, they contended, was let things ride along, refrain from uttering a Sherman-like "No," and the result would be a convention stampede and inevitable victory.

The weakness of this reasoning became apparent with the approach of the first primary, that in New Hampshire. A slate of Eisenhower delegates was entered and also slates favorable to Dewey and Stassen. This would bring a showdown. Ike felt that, unless he said something and made it strong, he would be guilty of connivance. So he spoke out.

George Washington, as Ike said in his statement, was the first and last American who achieved the presidency without striving for it. Ever since the highest office in the land has "historically and properly fallen only to aspirants."

What Eisenhower was implying here was that any man who wants to be President ought to be willing to get into the political bull ring and fight for the great prize. Ike wasn't willing, for reasons already mentioned.

But there were other reasons. One of them he listed in talking to a friend in the Statler Hotel here about two years ago. The friend was trying to persuade Ike that he ought to throw his hat in the ring. What most impressed him was the final argument that Ike made, which went something like this:

"In every man's career, there is a climax, a pinnacle. For me it came in that red schoolhouse in Reims in May, 1945, when the Germans surrendered. I have great respect for the office of President, but anything after that would be for me an anticlimax."

General Eisenhower undoubtedly gave thought to the idea of being in the White House; what man, under the circumstances, wouldn't? But the period just before he issued his statement was not a happy one. He complained to friends that the hullabaloo was getting him down.

He has since made it clear that, in saying he was not available for political office, he meant 1952 as well as 1948.

As president of Columbia University in New York City, General Eisenhower can be expected to speak frequently and boldly. What he intends to preach once he becomes a civilian is "good, middle-of-the-road American doctrine." Meantime, he will be writing his memoirs, for which he has been guaranteed \$750,000.

EDWARD T. FOLLIARD



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Only Advance-Design Trucks for 1948  
Have All These New and Finer Features:

★ **New Chevrolet 4-Speed Synchro-Mesh Truck Transmission**

Entirely new Chevrolet developed Synchro-Mesh transmission assures truck users of unparalleled new ease and efficiency in truck operation!



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Chevrolet's Advance-Design provides new splined rear axle shaft attachment to wheel hubs for greater strength and durability in heavy-duty models... New heavier, more durable springs... New propeller shaft bearing-seal design...



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\*Fresh air heating and ventilating system and rear-corner windows optional at extra cost.

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# The Men Behind the Candidates

By CARLISLE BARGERON

**T**HE AMERICAN people will elect a President in November and they will be pretty well acquainted with the man they choose. The publicity that attends our political campaigns reveals any family skeletons, whether the candidate has ever spoken harshly to his wife, how many hours he sleeps and what he likes to eat.

But, of almost equal importance with this man and about whom there is little or no publicity, are his close political associates, who in some measure have to do with the shaping of his mind. They usually begin bobbing up around the White House shortly after the inauguration, and reporters are kept busy finding out who they are.

Not unlikely, they constitute an inner circle through which congressmen and party leaders must pass when they try to get to the President.

Even in the case of President Truman, who had served in the Senate for 11 years, a surprising number of new faces became prominent when he moved into the White House.

Who, for example, knew of his close friendship with Secretary of the Treasury John W. Snyder, Gen. Harry H. Vaughn or Clark M. Clifford?

Presumably the same faces will continue prominent if Mr. Truman is re-elected.

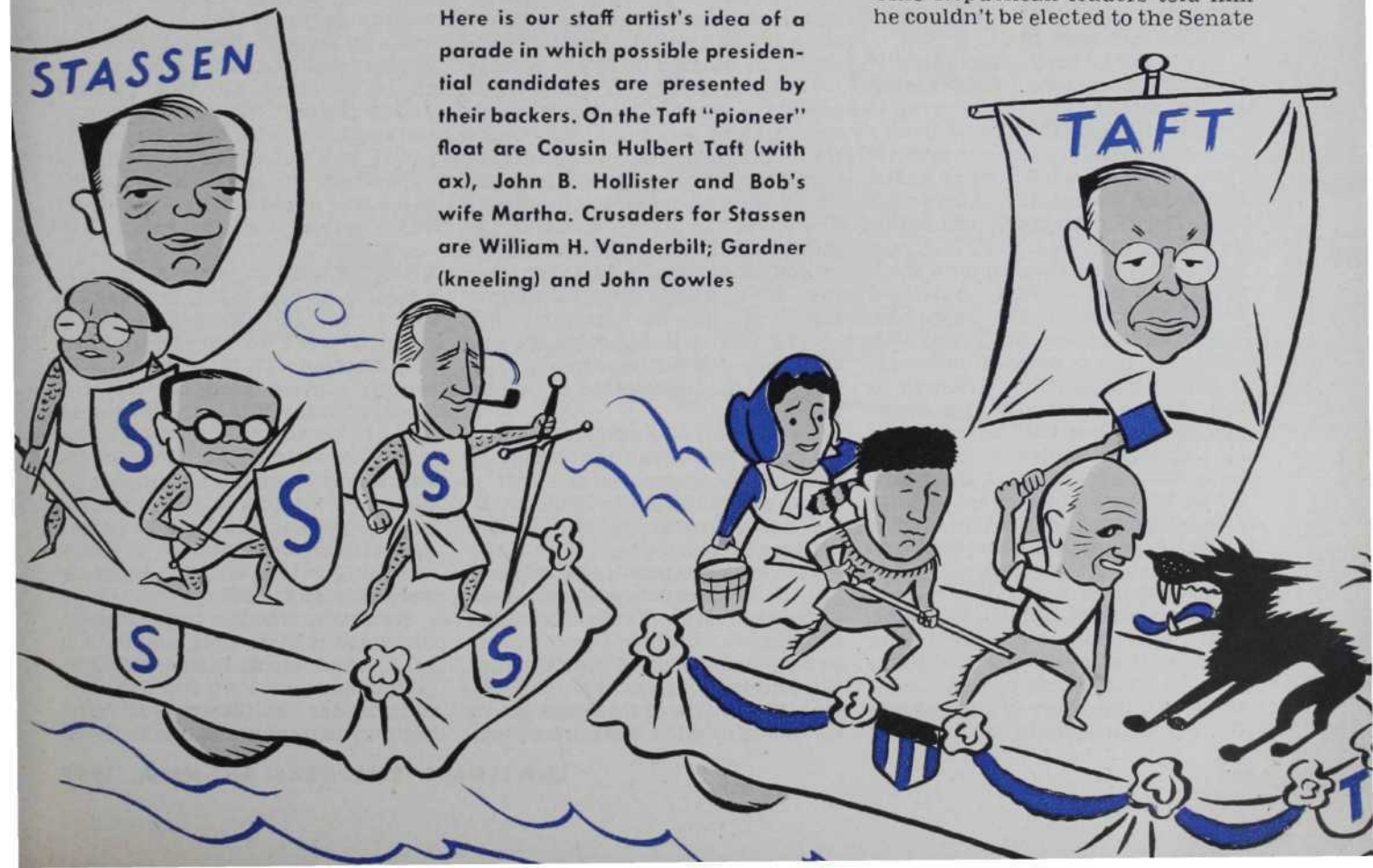
However, if the Republicans

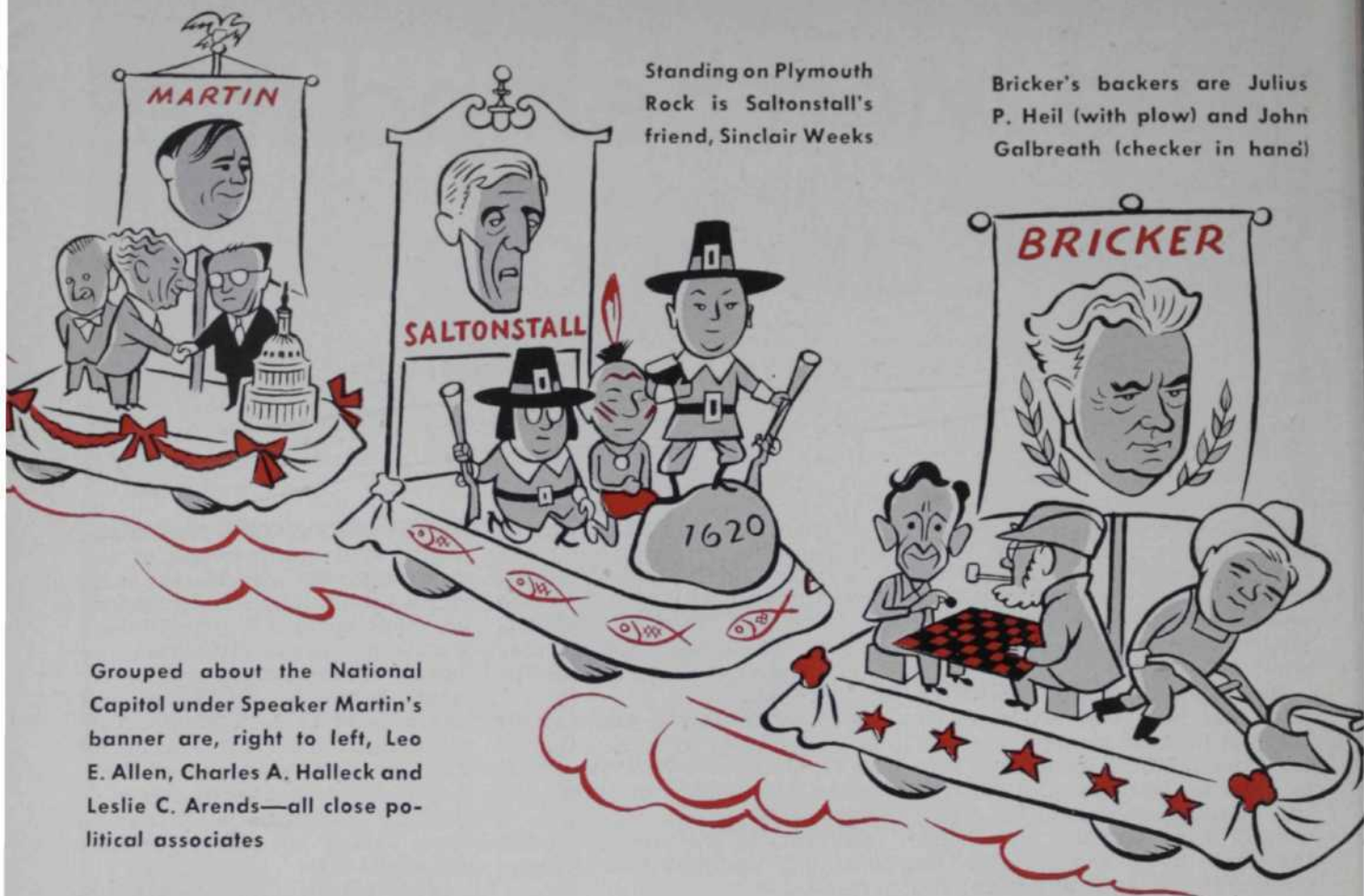
elect a President there will be a new crop.

SEN. ROBERT A. TAFT is seemingly the most controversial of the candidates. His wife Martha, who was a debutante in the presidential incumbency of William Howard Taft, is his closest adviser and the one on whom he mostly relies. Her father served as solicitor general under the elder Taft. Senator Taft married her in 1914 after his father had been defeated for re-election. A statement frequently heard is that she campaigns better than he does. This is not correct, though she is effective.

Many politicians are telling him that he can't be elected. Hers is an emphatic voice that he can be. Ohio Republican leaders told him he couldn't be elected to the Senate

Here is our staff artist's idea of a parade in which possible presidential candidates are presented by their backers. On the Taft "pioneer" float are Cousin Hulbert Taft (with ax), John B. Hollister and Bob's wife Martha. Crusaders for Stassen are William H. Vanderbilt; Gardner (kneeling) and John Cowles





Grouped about the National Capitol under Speaker Martin's banner are, right to left, Leo E. Allen, Charles A. Halleck and Leslie C. Arends—all close political associates

in 1938, especially with his vigorous attack on the then influential John L. Lewis and his CIO. She said he could be. She was right.

Nonetheless, they have their differences of opinion. In a speech several months ago she referred to President Truman's having been a haberdasher. Her husband told her that she had acted in bad taste. She spent several days testing his opinion and reluctantly concluded he was right.

His next closest confidant is his cousin, Hulbert Taft, publisher of the family-owned Cincinnati *Times-Star*, and some 13 years his senior. Theirs is more of an uncle-nephew relationship. Hulbert is tall, cultured, friendly and gracious, and likes to call his employees by their first names. If anything, he is more conservative than Bob, but he isn't pushing the senator for anything or trying to tell him what to do except that, in his editorial columns, he has occasionally differed with him.

Then there is John B. Hollister, Taft's law partner and a lifelong friend of the family—the Hollisters and the Tafts. They are about the same age, but there is a lot of difference in their make-up. Hollister

is debonair, likes to ride to the hounds. Although more of a ready-mixer, more congenial in a crowd than Bob, he wouldn't permit himself to be mugged up to get votes.

Hollister served in Congress in the days when Cincinnati would not think of sending anyone but a Republican to that body, and the local Republican organization had a way of hand-picking a promising blueblood. In 1934, however, an unknown Democratic candidate scored a surprising victory over him. Hollister, an expert on banking and finance matters, had served on the House Banking and Currency Committee when in Congress. Taft also is rated an expert on finance.

Two influential outsiders, active in Taft's preconvention campaign and in his unsuccessful effort to get the nomination in 1940, doubtless will be prominent should Taft become President.

One is an old political war horse, Col. R. B. Creager, national committeeman from Texas. The other is John Marshall of West Virginia, long a Washington lawyer. Creager, tall and erect, is a lawyer for Texas oil interests. He could throw plenty of money into the Taft precon-

vention campaign, but Taft himself insists on paying for this—he and the family, as in 1940.

It is largely the business of Creager and Marshall, who served as an assistant attorney general under Herbert Hoover, to corral the southern delegates. They did it pretty well in 1940 and once again apparently these southern delegates will serve as the nucleus of Taft's convention strength.

THE STASSEN movement suggests a wealth of new faces, and that is one reason it is finding so many nuts to crack in the Republican organization. It is essentially a "youth" movement. Harold Edward Stassen is only 40 and those around him are about the same age. From the experience the oldsters in the Minnesota Republican organization, men around 50, had when he became governor in 1938, the older men of the party shudder to think what might happen to them if he were elected President.

Stassen's mentor and closest confidant is his father, about 70, a substantial truck farmer of German origin and long the Republican leader of Dakota County, Minn., just outside St. Paul. He is

the type of political leader who is a father confessor of the community.

Young Stassen, as early as the age of ten, sat with his father at political gatherings, heard the harangues, observed the maneuvers. A year after he got out of law school, he became county attorney. He was encouraged to move among worth-while people. He cultivated the second and third generations of wealthy Minnesotans, such, for example, as the Pillsbury and Crosby milling scions.

About this time, both the Republican and Democratic oldsters were encouraging party youth organizations but expecting their activities to be largely social. Stassen moved among the wealthy young

one of the daughters of the Weyerhaeuser lumber fortune, and who is a successful manufacturer himself. By way of broadening his political experience he served as advance man for Dewey in the 1944 campaign. Active also are such wealthy Minneapolitans as Harry A. Bullis, chairman of the board of General Mills; and Daniel C. Gainey, jewelry manufacturer.

The Cowles boys, John and Gardner, publishers of *Look* magazine, of newspapers in Des Moines and Minneapolis, and operators of a radio chain, although not formally supporting Stassen's candidacy, have been of assistance in his gaining national prominence.

A more recent recruit is former Gov. William H. Vanderbilt of

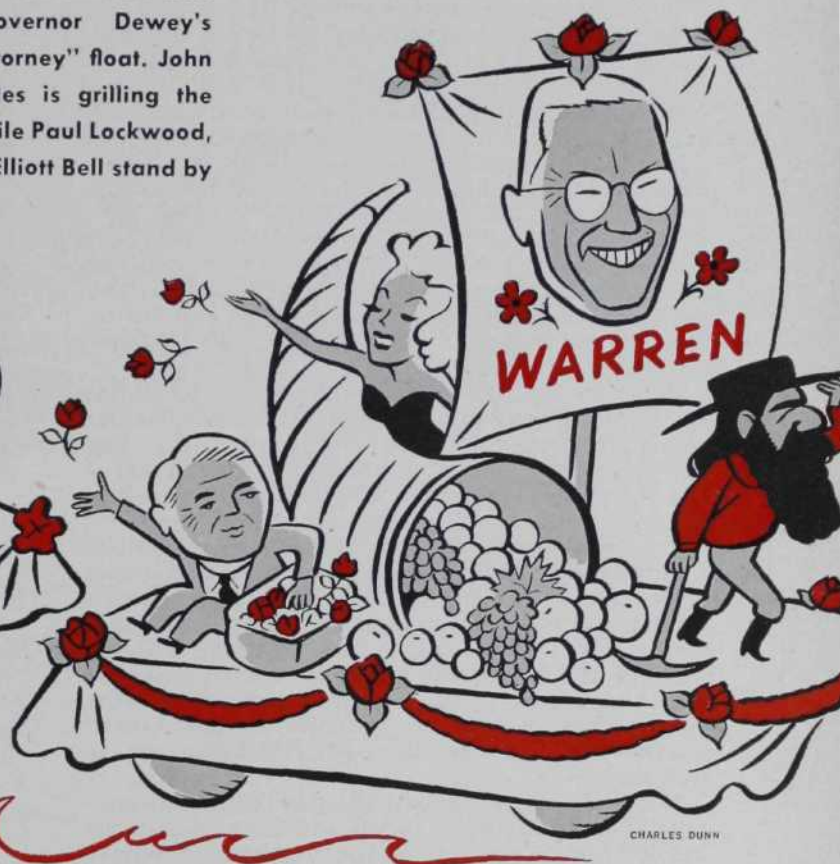
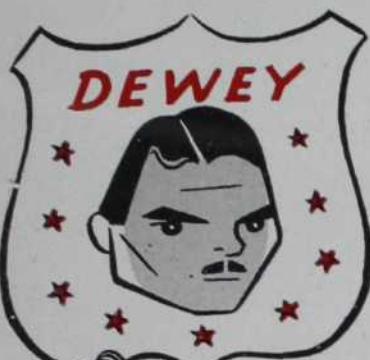
derstandable attachment for such a political mind of his own generation as Stassen.

Although Stassen has been out of office since he went off to war, he has held a tight rein on the Minnesota Republican organization. Those backing him feel that they are no longer, in the eyes of the eastern intelligentsia, unlettered midwest isolationists. They are members of the same fraternity.

Manifestly, there will be a lot of heartbreaks if Stassen should be elected, because all his wealthy young supporters, being mostly from one state, can't be appointed to high posts. But in one way or another they would stamp their impress on national affairs.

GOV. EARL WARREN of California has announced his availability. His has been a career of public service. Five years after he had started to practice law in Oakland in 1914, he had become city attorney. Thence, step by step, he worked up to the

Tossing roses while sitting by California's horn of plenty on the Governor Warren entry is Ralph H. Cake. From New York comes Governor Dewey's "district attorney" float. John Foster Dulles is grilling the donkey while Paul Lockwood, right, and Elliott Bell stand by



CHARLES DUNN

Minnesotans with the gospel that, by becoming politically active, they could take over the state government and accomplish things. Stassen was thus elected governor and the youngsters installed, if not in office, in influence.

As early as 1943 they were looking around Washington for a \$12,000 a year publicity man with assurance of employment through '48. Head of the movement is Walter Rosenberry of Minneapolis, about Stassen's age, who married

Rhode Island, who has become treasurer of the campaign fund. He met Stassen at governors' conferences and their friendship ripened when they served together in the Navy during the recent war.

Vanderbilt received considerable national attention as a "boy" governor, but eventually he came a political cropper. He has an un-

governorship. His close friends have been those with whom he has been in contact in his ride upward.

Perhaps closest to him has been the Oakland publisher, J. R. Knowland, first attracted to him by his work as Oakland prosecutor. Warren appointed Knowland's son, William F., to the Senate a couple

(Continued on page 72)

# Farewell, Little Red

THE SCHOOL of Tomorrow will be more like a club than an institution. Students will have fun learning

AMERICA'S public schools are getting a new look—the School of Tomorrow.

This School of Tomorrow will have an artistic building. Its rooms will be both practical and attractive. It will teach as much, possibly more, from radio, sound and pictures as it does from books. Study will be fun as well as a duty.

The little red schoolhouse at the crossroads, famed in poetry and picture, is to become a museum piece. The schools for which it is a symbol did a good job in starting those whose locks are now silver on the road to fame and fortune. The new thought is that its methods of teaching are as old-fashioned as the brass-toed boots and homemade mittens which the youngsters wore.

Children of tomorrow will learn faster, know where they are heading, mature earlier and have a role in public affairs. Their share in adult activities will no longer be limited to ice cream socials and sewing bees. School emphasis will be on citizenship as well as on careers.

A few of the new schools already dot the landscape. Many suns will rise and set, however, before schools of tomorrow blanket the entire country. For the present, a description of the new look in learning must be a composite of what is already here and of the experts' hopes and plans for the future.

These architects of advanced ideas are neither unanimous on details nor impatient—to name only a few: The U. S. Office of Education, state superintendents, national organizations and professors who teach others to teach. They do agree that the purpose of a school is to bridge the gap of years between immature youth and adult production. Also, that teachers—close to 1,000,000 in the United States—are more essential to education than ornate buildings.

While the experts debate the fine points, the parents of some 30,000,000 pupils and the voters in the 115,000 school districts of the United States have the final decision. Schools still are a function of the states. Each state determines its school districts; its parents and taxpayers select school trustees. The latter—serious men or women of business or politics—are responsible for the schools.

The planners of the School of Tomorrow have made education a career. They lecture and write articles and the public must depend on them for its vision of the school. They have developed a new argot. What old fogies know as a "classroom," is a "learning laboratory" in the new lingo. Learning



In some instances, the School of Tomorrow will meet the larger needs of the entire community

this new language is added to a trustee's perplexities over finance and local culture.

Nor are the experts hurried. In January, 1944, the Office of Education started planning for a convention of educators. It met in June of the following year. A resolution by Charles A. Prosser of Minneapolis pointed out that high schools prepare 20 per cent of their students for college, 20 per cent for desirable skilled occupations and leave 60 per cent without the needed life-adjustment training to

# Schoolhouse

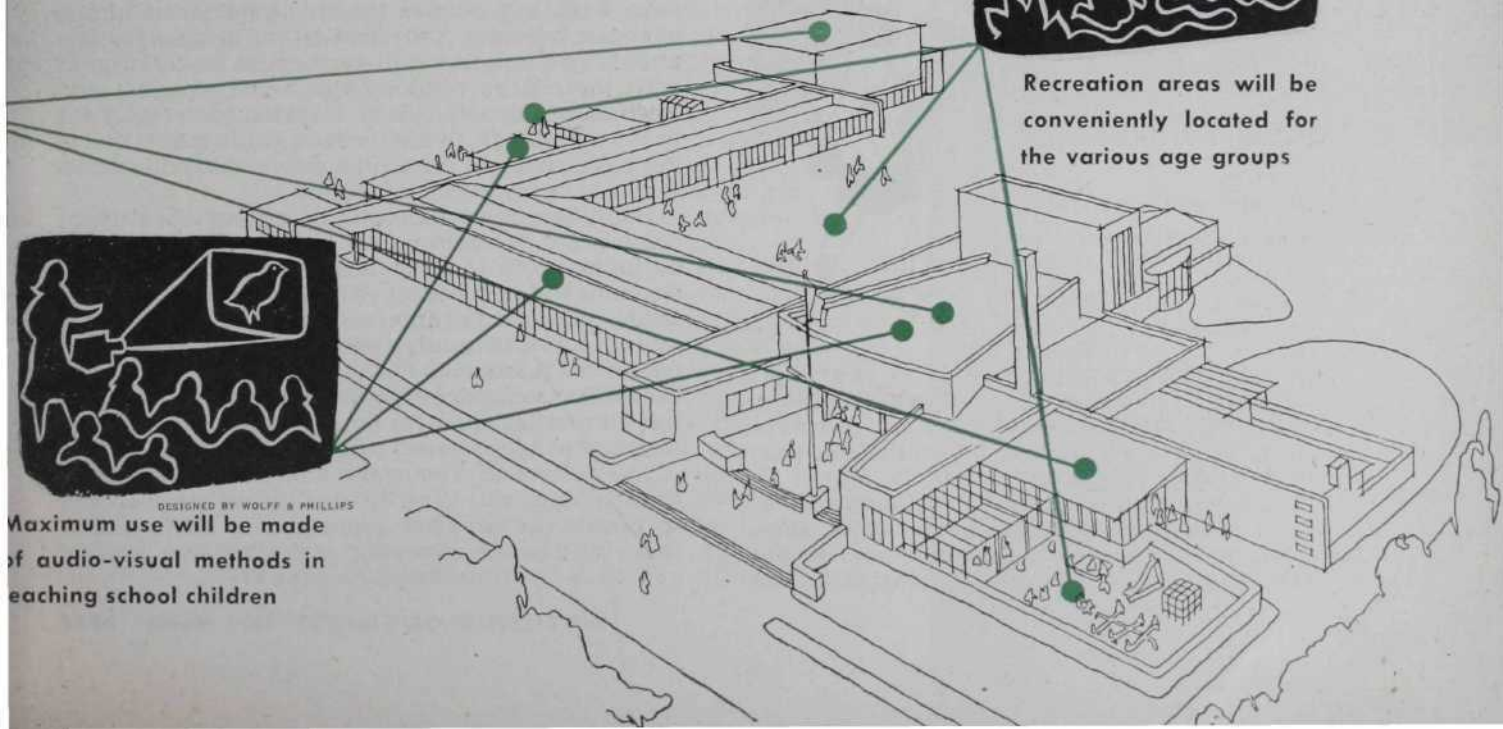
By JUNIUS B. WOOD



DESIGNED BY PAUL H. KEA & ASSOCIATES



Recreation areas will be conveniently located for the various age groups



DESIGNED BY WOLFF & PHILLIPS  
Maximum use will be made of audio-visual methods in teaching school children

which they are entitled. The meeting decided that a national commission on life-adjustment education for youth should be formed under the Office of Education. The proposers still are paying their own expenses though eventually the commission will be supported by taxes.

Another meeting in May, 1947, decided that: "as the many implications of the (Prosser) resolution were gradually uncovered and followed to their conclusions, both the importance and difficulty of the task of bringing about the many essential changes and improvements in the policies, the organization and the offerings of the secondary schools became apparent."

The learned group promises to get out of the fog this year. Moving faster, the National Association of Secondary School Principals has adopted a Decalogue for the School of Tomorrow and for the other thousands which Paul R. Mort of the Institute of Educational Research says are 50 years behind the times. Youth must be taught:

1. Salable skills.
2. Good health and physical fitness.
3. Rights and duties of citizenship and how to fulfill them.
4. Significance and need of family life.
5. Shrewd buying and consumer-market relations.
6. Influence of science on human life.
7. Literature, art, music and nature.
8. Leisure activities, satisfactory to the individual and useful to the community.
9. Appreciation of others to live and work cooperatively.
10. Rational thought and expression.



Teachers are more essential than ornate schoolhouses

Improvement in education, in both physical plant and teaching methods, concerns the entire nation. Responsibility rests on school trustees and boards of education. The future depends on millions of parents in thousands of school districts.

Studies made by the Chamber of Commerce of the United States, covering many countries, show that a nation may be rich in natural resources but its living standards will be low without education

and technical training for its youth. The intelligence and ability of its people are a nation's chief asset. A good meal depends more on the cook than on what is in the icebox.

Not only better education but more facilities are needed in the United States. War speeded up the production of babies as well as of machines. The Bureau of Census reports 2,358,000 six-year-olds entering school in Sept., 1946. Some 3,000,000 are expected for the 1949 opening and 4,000,000 for 1953.

The wave of GI's in colleges, garages and dancing schools will be followed by their sons and daughters. At present, less than three fourths of the young people of 16 years will complete high school. Educators expect someday to graduate 100 per cent. About 3,400,000 college graduates are in the country today. By 1960, they are expected to number 6,600,000.

School attendance, six- to 24-year-olds, increased from 26,500,000 (census figures) in the fall of 1946 to 32,100,000 (Office of Education figures) in the same season of 1947. That does not include enrollments in trade, art, music, drama, bible, barber, correspondence or other private schools. Only one who can weigh the future—more jobs, more leisure, more learning and more schools—can figure for 1960, but it will be several millions larger.

With most schools overcrowded, buildings are the first concern. Also, it is logical that buildings should be the first step toward the School of Tomorrow. Teachers and study courses are changeable, but the structure of brick and stone will stand for years. The building can freeze the school into a fixed type—subjects taught, methods of teaching and response of pupils—not only for the children of today but for future generations.

### Planning the building

BETWEEN extremes of schools without windows, and schools with outer walls of glass, is a large galaxy of more serious plans. The National Council on Schoolhouse Construction has met annually for 25 years. The Interstate School Building Service, with grants from the Julius Rosenwald Fund and the General Education Board, offers free plans to state superintendents.

The School of Tomorrow will return to the one-story level of the little one-roomer at the crossroads. It will have a peaked roof and dormer windows. Lighting, blamed for the bespectacled adults of today, becomes "fenestration for brightness balance." The building will be located so classrooms with their large windows will be on the east and west sides. The site will be elevated sufficiently for natural drainage, five acres for a grade school building and ten acres for a high school with one additional acre for every 100 pupils.

Building and grounds will be a complete student community. In some, public library and auditorium or ballroom will meet larger community needs. Grounds will be landscaped and will include athletic fields, playplots for different ages, walks, driveways and on some, swimming pools. Such plans can only be general. Tropical Florida will differ from sub-zero Minnesota. Nor will a school in a congested city have unlimited acres for flowers and play. "But keep it down to three stories," the planners say.

The School of Tomorrow will not resemble the local jail nor will it be divided inside into cubicles to crowd the greatest number into the smallest space and make sweeping easier for the janitor,

(Continued on page 83)



LOHR

# Even You Can Photograph Well

By HAROLD HELFER

**M**AIN thing to remember if you want a good picture taken of yourself is this: The photographer won't bite you. He's your friend. He will do right by you.

When Charles Luckman took over as head of the nation's food conservation drive, he became a natural target for the photographers. But he was tough to get a good picture of. He was stiff, shy. He was a nice enough fellow, but he turned into an icicle the instant he saw a camera.

He was facing the photographic paraphernalia of Frank B. Beekman, head of Chase-Statler studio in Washington, one day and the head of Lever Brothers was about as relaxed as a cake of soap.

"All right, Stinky, loosen up now," said Beekman.

Beekman waited for the moment of surprise and shock to leave and then, after his subject had thawed out, snapped the camera. The result was a warm, personable picture of Luckman

that has appeared in hundreds of newspapers and magazines.

But there's no reason why a photographer should have to employ browbeating tactics to get a good picture of you. There's no one in the world who'd rather make a suitable likeness of yourself than he. It's his bread-and-butter, his reason for being.

And the thing about it is he can do it. Put yourself into the hands of a reliable, competent photographer and you can rest assured that he's going to get a good picture of you.

It doesn't matter if your nose is a little off base or your ears protrude a trifle more than strictly necessary. A minute or two after taking you in hand the photographer knows exactly what angles to shoot from and what lighting to use to show you at your best. He knows things about you that you probably don't know yourself—for instance, that one of your eyes is larger than the other. Every-



body's eyes are like that, so don't be alarmed. The photographer takes this into account when he shoots your picture, always making sure that your larger eye is nearer the camera, because otherwise the photograph won't have the proper perspective.

Recently, an industrialist came before the lens of Kalman Friedrich, photographer for the Bachrach studio. It was for his wife, he told Friedrich, and it had to be with his hat on. Friedrich said, very well, if he wanted a picture with his hat on, he would make a picture with his hat on. But might he not also take one without his hat on?

The industrialist said there really wouldn't be much use in taking a picture without his hat. You see, he confided, he was getting bald and his wife didn't want a picture of a bald-headed man around the house. She wanted to think of him as he was in the pompadour days of his youth. "But won't you let me take just one picture without your hat anyway?" Friedrich pleaded. "If you don't like it, you don't have to take it."

### Good pictures look natural

THE industrialist finally consented. When the proofs were sent to his wife for selection she chose the one without the hat!

That picture was the most natural and, by proper lighting, became the most winning presentation of the man. The wife was so delighted with it she felt moved to personally thank Friedrich for his artistry.

The moral of all this is that just because you may happen to be on the bald side, don't let that give you any sort of a picture phobia. You never think of General Eisenhower as a bald-headed man and yet, five stars or no, the fact remains he's just as bald as any bald-headed man. But the general is most cooperative with the photographers and always genial in their company. The result is you practically never see a bad picture of him.

That's another thing. You're not going to impress the photographer—except the wrong way—by giving yourself any airs before his camera. One of the things photographers agree on is that, almost without exception, the bigger the fellow the easier he is to handle.

Once David H. Simon, New York Fifth Avenue photographer, received a call to shoot a picture of a man in his private office. When he got there, Simon found sitting before him a man of considerable bulk whose suit hung on his frame

loosely. There was something so informal about the man and his attire that it bordered almost on shagginess. To make the subject presentable, Simon had to embark on a series of tugging, yanking and pulling capers that resembled the activities of a jujitsu expert. The man accepted this rough treatment good-naturedly.

Simon had never heard of the man before but left convinced that this amiable, down-to-earth hulk of a man was a person of first rate importance.

Sure enough, a few days later he saw his picture of the man in the papers. It seemed his name was Wendell Willkie and that he was announcing his candidacy for the presidency of the United States.

### Laughing too heartily

GEORGE W. HARRIS, the Harris of Harris & Ewing, once found himself having trouble getting a picture of former President Taft. In those days the film in the cameras didn't work as quickly as it does now. The President had received some good news and was laughing heartily and it would have made a beauty of a picture. The only trouble was that his big tummy quivered like a bucket of jelly and Harris knew he couldn't catch all that motion.

"Please, Mr. President, can't you keep your stomach from moving so?" Harris implored desperately.

And what did the President do? Did he get mad? Not at all. He kept on laughing—only this time he obediently held his stomach.

Incidentally, the camera clickers, of whatever political persuasion, agree that Franklin Delano Roosevelt was the most photogenic President. But that doesn't mean that their lenses haven't made some handsome portrait studies of our other Presidents. The photographers just had to work a little harder on the angles, that's all.

Once Harris had his camera set up for the Prince of Wales, now the Duke of Windsor. He chose a room full of natural light but, as it so happened, the Prince went into another room.

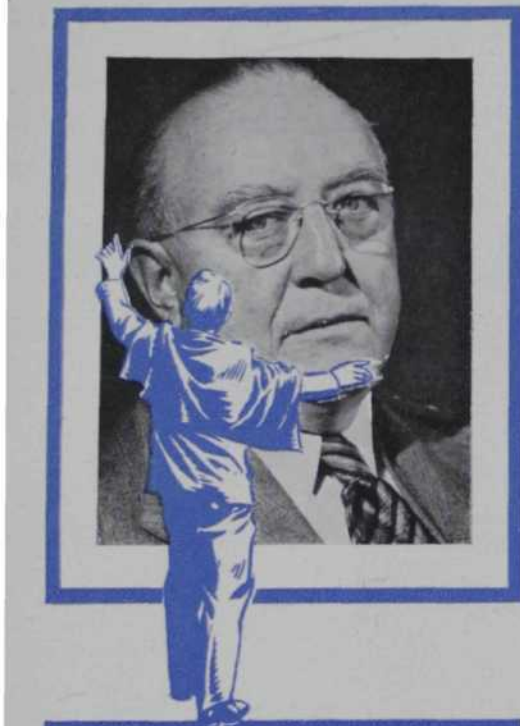
"How about asking the Prince to come into this room?" Harris asked one of the Prince's aides.

The man was aghast.

"You'll have to take your bloody camera in there where he is," he cried, after recovering his composure. "You can't order a prince around!"

The Prince, who had overheard the conversation, walked into the room where Harris was set up.

(Continued on page 88)





EWING GALLOWAY

Unprecedented demand for goods has pitted dollar against dollar

# Is Big Business A Threat to You?

By J. A. LIVINGSTON

**DON'T FALL** for that mossy old line about the big companies gobbling up the little ones and stifling competition. 'Tain't so today

**T**O SEN. STYLES BRIDGES, New Hampshire Republican, Henry J. Kaiser is a New Deal darling, the man who could borrow government money by the bale. "No idea of his," proclaimed Bridges, "has been too fantastic to obtain government backing."

But to believers in the American competitive system, to contenders that the United States still produces men with git-up and gumption, Kaiser is an altogether different kind of darling.

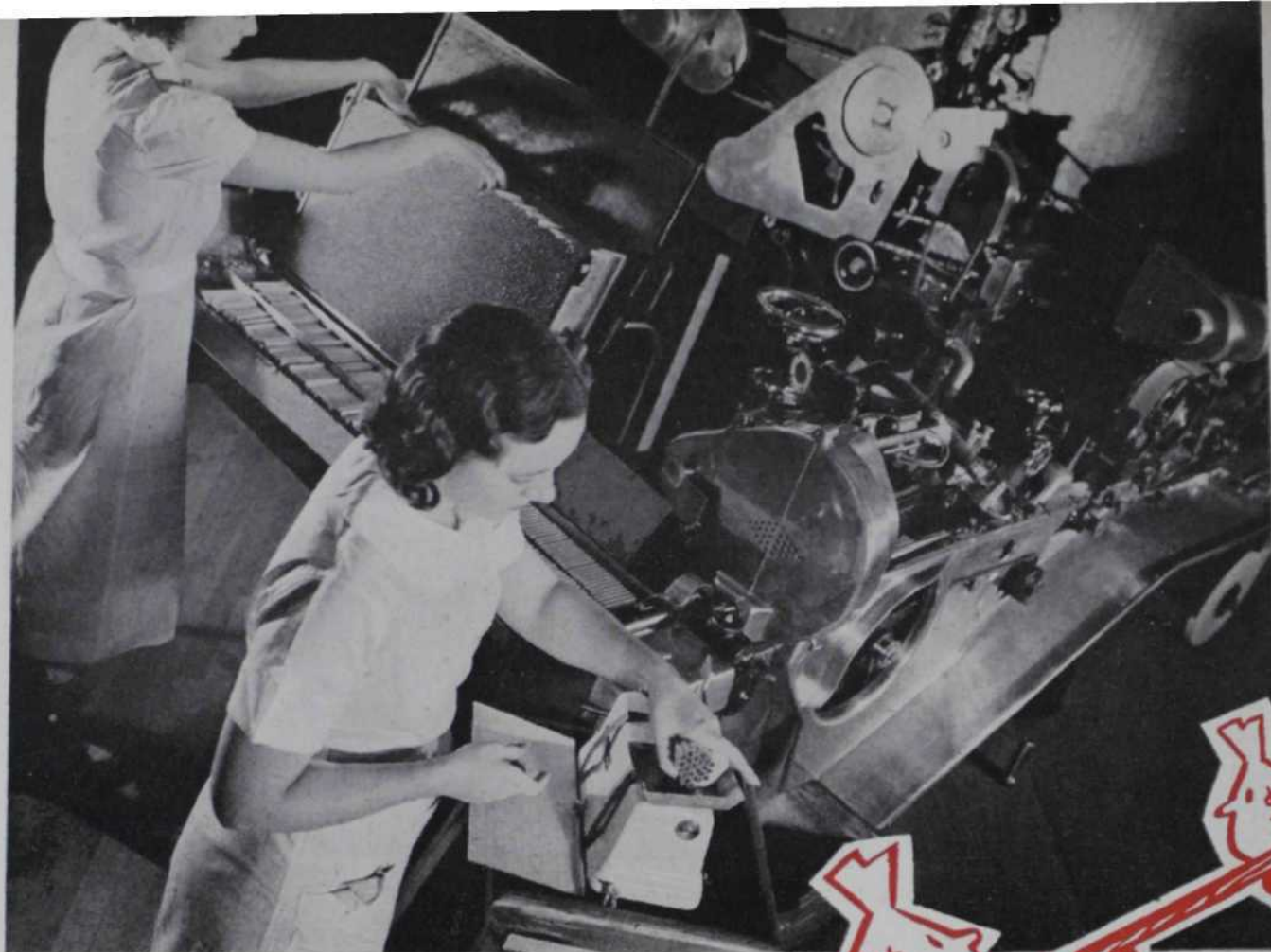
He crashed the reputedly im-

pregnable fortress of Detroit. Kaiser is the symbol, not the central theme, of this article. He symbolizes that the era of industrial standpatism isn't yet. He suggests that the United States is not all neatly carved up among groups of business men—the du Pont group, the Cleveland group, the Morgan group, the Rockefeller group, as so many economists have declared.

He is the direct refutation of a favorite thesis at the Federal Trade Commission that concen-

tration of American industry is on the increase and competition on the decline. Kaiser is a symbol, further, of what the war has done to the American economy. The war displaced old-line industrial relationships. It provided a pent-up demand for goods which gave newcomers a chance to float their ventures on a seller's market—something that had not happened since 1929. That explains so many new names in newspaper and magazine advertisements: Kaiser-Frazer cars, the prospective and hopeful Tucker, Lauderall in the washing machine industry, Admiral refrigerator, numerous radios, and so on.

Kaiser symbolizes the wreckage of hard-and-fast notions about the characteristics of the U. S. economy. When Hitler marched into Poland, younger economists, government officials, union leaders, yes, and business executives, too, were prisoners of the 1929-33 depression and the brilliant doctrines of John Maynard Keynes. They thought in terms of permanent underconsumption and a persistent army of jobless men and



HOLMES E. METTEE

**Competition can take some peculiar twists. There's the case of a cigarette maker bucking one of his own brands**



women. No wonder when the war ended, government economists, especially the New Deal Keynesians, forecast that peace would promote deflation and 8,000,000 unemployed. They couldn't free themselves from the '30's.

Nor could they forget the 43 monographs, the 31 volumes of testimony, and the final report of the \$1,070,000 Temporary National Economic Committee investigation of concentration and monopoly in U. S. industry, to which the Federal Trade Commission recently brought out an addendum, "The Present Trend of Corporate Mergers and Acquisitions." This last report uncovered 1,800 mergers since 1940, and once again an old theory got a thorough dusting off: "The big companies are gobbling up the little ones and stifling competition."

Similarly, the FTC resurrected its old fight against basing points in the steel industry, and the Department of Justice launched a suit against 17 Wall Street investment banking firms. Yet here the Justice Department was fighting what had ceased to be. Competi-

tive bidding on railroad and public utility securities—the result of Interstate Commerce Commission and Securities and Exchange Commission policy—and the legislation divorcing banks from security underwriting had disestablished the Wall Street status quo of the '20's and early '30's. But the joust must go on!

### **Economic writing outdated**

ECONOMIC thought is suffering from a cultural lag. Most of the economic writing on competition, monopoly and concentration of power takes for granted certain tendencies of the '10's, '20's and '30's:

"Big business squeezes out the little companies, newcomers can't get in, and ultimately a few giant companies in each industry have the market to themselves. And they won't compete. They enter into coalitions against the consumer, divide up the market among themselves, and fix prices."

Each then is a contented cow, tethered to a post, and grazing in a neat little circle. But have you

ever noticed such a cow? Has she not always pulled—trying for greener pastures?

The auto industry illustrates how such thinking propagated. In 1929, 28 passenger car companies were fighting for the market. Ford was the top company, with 34 per cent of the sales; General Motors was a percentage point behind, at 33. The rest of the business was well distributed, though a man by the name of Walter P. Chrysler was coming up with a car called Plymouth. He then had nine per cent of the business. But there was no thought then of a Big Three. Ford and G.M. controlled 67 per cent of the market, and were the Big Two.

The depression provided partial proof that the big get bigger and the small smaller. By 1940, such illustrious nameplates as Auburn, Stutz, Durant, Kissel, Peerless, Duesenberg and Pierce-Arrow appeared on used cars only. The Big Two had become the Big Three, and had 90 per cent of the business, as against 75 per cent in '29. General Motors now sold 47 per cent of the passenger cars, Ford only 19 per cent and Chrysler had pushed

into second place with 24 per cent. An obvious thesis developed: It's just a matter of time before G.M., Chrysler and Ford have the passenger car business all to themselves.

The war and postwar era have given that notion a jolt. Studebaker came out with the first postwar model—a low-slung, front-and-rear-full-view job. Kaiser-Frazer got into production and actually became the fourth largest producer. And Hudson this year is showing a new model, which, according to Ward's *Automotive Reports*, has "created a virtual panic" among rival designers. The payoff is in the statistics.

Last year the independents lifted their share of sales to 16 per cent, as against ten per cent in '40. As for the Big Three, they didn't stay put. Ford almost caught Chrysler with 21 per cent of total sales, Chrysler had 22 per cent, and G.M. 41 per cent. All three lost ground to the independents.

The auto industry is not unique. A Department of Commerce study shows that, in the race for postwar markets, the smaller enterprises fared best—perhaps because there are so many of them and they sprang up faster. Although the 200 largest manufacturing corpora-

tions managed to boost their sales volume from \$22,000,000,000 in 1939 to \$45,000,000,000 in 1946, they accounted for only 35.6 per cent of total manufactures in 1946 as compared with 39.2 per cent in '39.

An additional 800 manufacturing companies (all of which were fairly large, with assets of more than \$1,000,000 in '39) did \$6,000,000,000 of business in '39 and \$15,000,000,000 in '46. Their proportion of total volume advanced from 10.7 per cent to 12. The rest of the nation's manufacturers—primarily but not entirely small ones—managed to raise their sales from \$29,000,000,000 in '39 to \$66,000,000,000 in '46, and their share of the total from 50.2 per cent to 52.4. Yet the small companies did have a time of it during the war, as statistics show:

	Per Cent of Total Manufacturing		
	Big 200	800	Rest
1939	39.2%	10.7%	50.1%
1944	38.3	16.0	45.7
1945	36.9	15.0	48.1
1946	35.6	12.0	52.4

Note that the middle-sized companies grew fastest during the war. They fattened on prime and subcontracts. These were the companies that undertook major expansion—often with government financing. In many cases the

smaller enterprises barely kept alive amid the flow of priorities on steel, aluminum, copper, and even textiles to the war industries.

From now on, it's a test of staying power. And the large companies—well financed and well entrenched—are not as likely to succumb for want of funds as the smaller firms. Already some signs of ebullience appear. Business failures, though still small compared with prewar years, are on the increase. Undercapitalized firms, often established by GI's on a shoe-string, have gone out of business the tough way. This is true notably of small electric appliance stores, restaurants, night clubs, frosted food plants and outlets, fox fur farms.

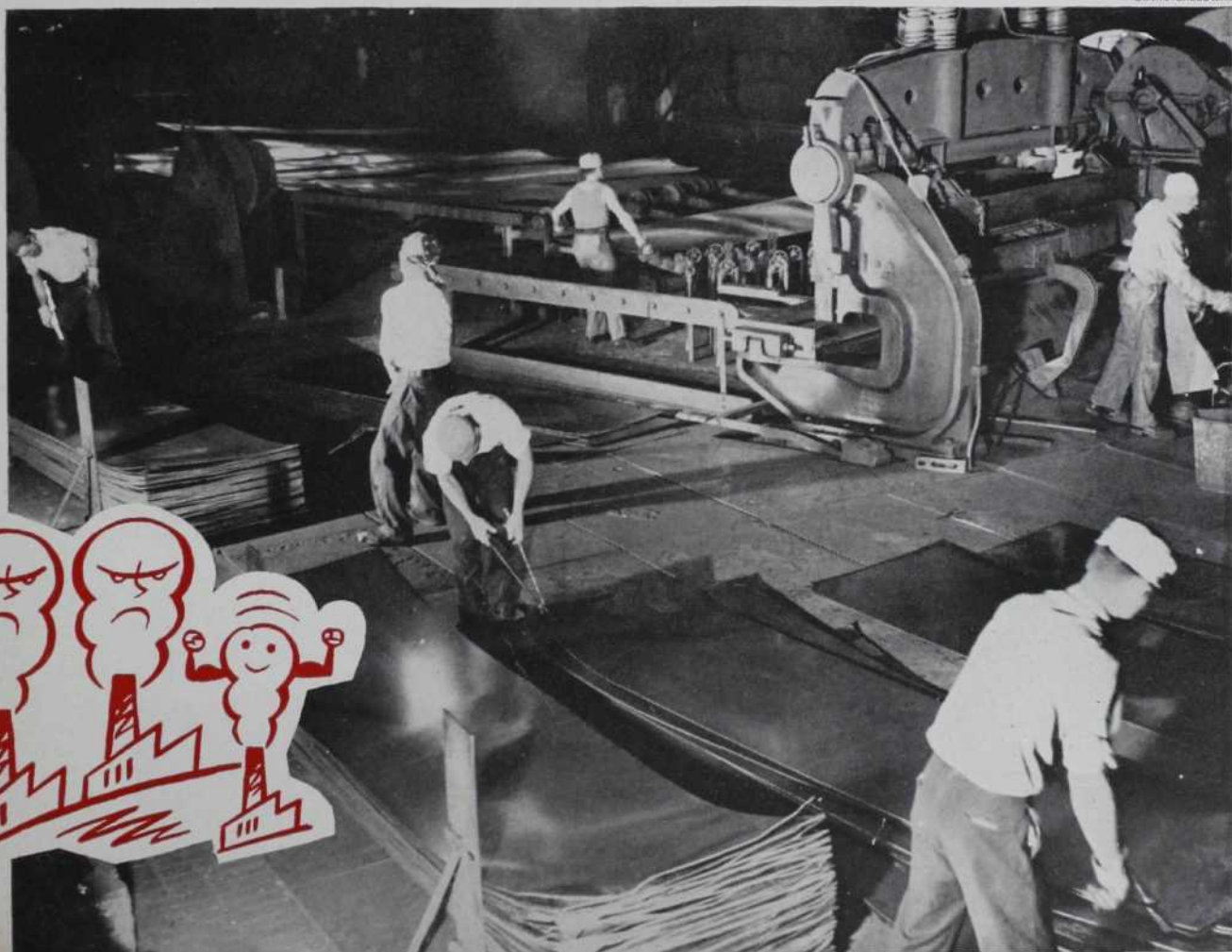
Nevertheless, more persons are going into business than are being crowded out. The number of enterprises today—manufacturers, wholesalers, retailers, distributors and transportation firms—is at an all-time high of 3,800,000, or some 25 per cent higher than in '29. For this there's a reason: Profits.

According to a Securities and Exchange Commission study, very small manufacturers—those with assets of less than \$250,000—earned at an annual rate of 18 per cent.

(Continued on page 76)

Steel's Big Three still sing bass, but there are also tenors in the choir

EWING GALLOWAY

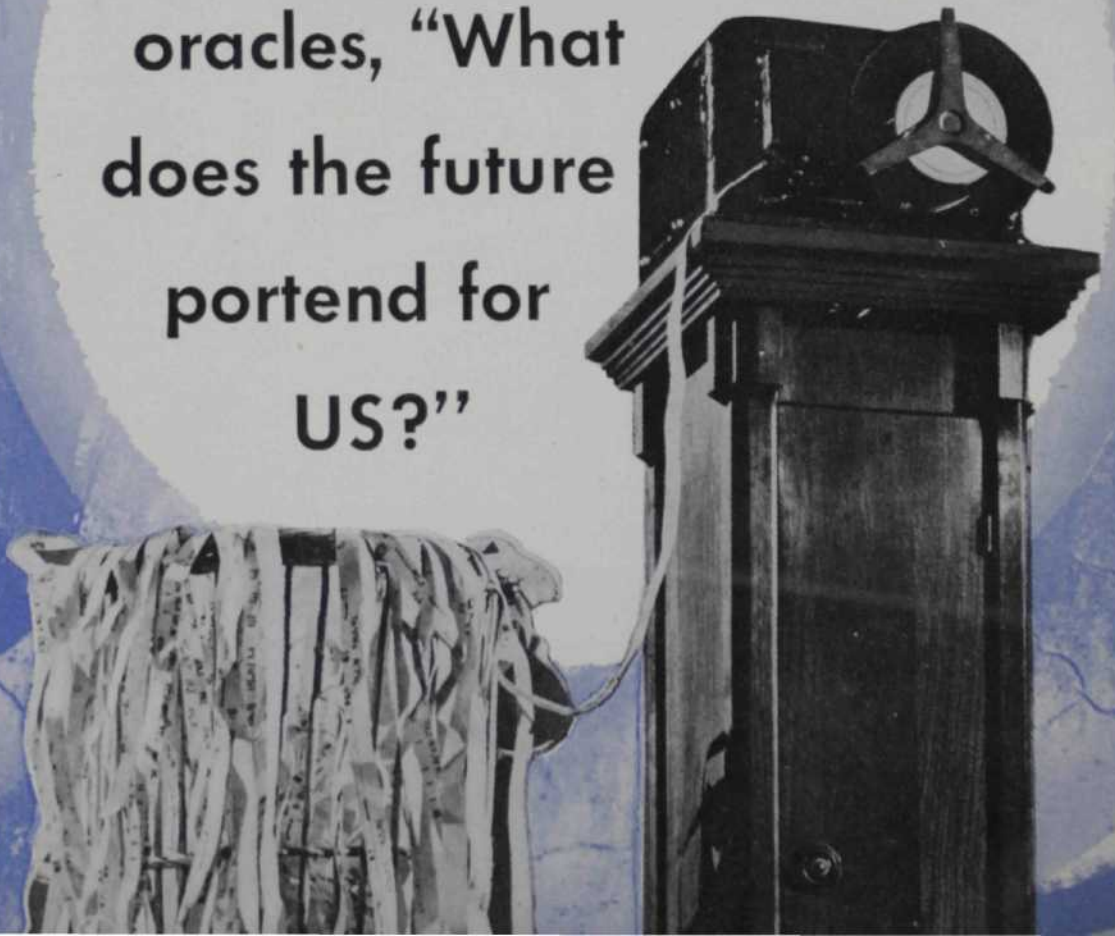




THE DELPHIC ORACLE PYTHIAN APOLLO

SPOKE THROUGH HIS PROPHETESS PYTHIA

3,000 years later  
men still ask modern  
oracles, "What  
does the future  
portend for  
US?"



# Read Me the Meaning Thereof

By REYNOLDS GIRDLER

**T**O CROESUS, wealthiest of men and of kings, the future was as puzzling as it is today. So he journeyed to the oracle at Delphi. After bestowing appropriate gifts, he asked if he should fight the threatening armies of Cyrus of Persia.

"If Croesus goes to war," said the oracle in impressive double-talk, "he will destroy a great empire." Optimist that he was, Croesus went to war—and destroyed his own empire. But the oracle's record of being right though ambiguous was preserved.

Your modern business man is more demanding than Croesus. He will pay little money for equivocation. He wants his business prophecies laid on the line in no uncertain terms—even if they prove to be wrong. He yearns for a simple demonstration of cause and effect which will give him a reliable clue to the next stopping point of Fortuna's wheel. He is so eager for the counsel of almost any type of business forecasting service that his demands have brought a whole industry into existence. According to Securities and Exchange Commission figures, some 1,200 individuals and organizations are registered as investment advisers and economic trend guides of one kind or another.

The rise of the business service is one of the phenomena of our time. But even more phenomenal has been the spate of gloomy predictions over the past few years—surely the most prosperous years the great mass of Americans has ever known. It was not like that in 1929. Then it was almost impossible to find a Jeremiah. Now, as every business man knows, sepulchral warnings of depression consistently have accompanied the merry tinkle of cash registers.

Who are these people who, even



MORRIS FROM BLACK STAR

Investors follow sales flashes on the board like kids at a pinball machine

for limited periods, dare sell America short? And what is the nature of the tea leaves from which they read the future so darkly?

Most numerous, vocal and dogmatic of all those whose forecasting systems have foreseen trouble in the past two years are the Dow theorists. Theirs is an enormous cult. The advertisements of their practitioners—interpreters of the Dow theory—crowd the financial pages of the big newspapers. Each week the mails carry their stock market interpretations to hundreds of thousands of true believers. So the word is spread to a large segment of America. And since September, 1946, the word has been "recession," though future market action could change that interpretation in a matter of weeks.

The Dow theorists take their name and their precepts from

Charles Henry Dow, founder of Dow-Jones & Co. Merely to state the bare precepts of the Dow theory would require much space. Even Wall Street, which should have been most interested in the theory, paid it little heed in the years it was building (roughly 1897-1929). Then, in October, 1929, Dow's successor, William Peter Hamilton, publicly proclaimed that a depression had arrived. Few heeded the warning.

One who did was a brilliant invalid in California named Robert Rhea. He had been a long-time student of the theory, and now he began to write about it. Rhea probably did more to popularize the theory than anyone else. Certainly he was the first to carry it from the confines of Wall Street to the broader reaches of business. Here, said Rhea, was a tool of utmost value to business. Under the Dow

Theory, he said, it is possible to interpret what the stock market sees ahead. Thus, if you heed what the market is saying, you can correctly foresee what is ahead for your own business.

When, in September, 1937, he announced that the market had been in a bear trend since March, 1937, and when this announcement was followed by the 1937-38 depression, the Dow Theory gained a nation-wide following.

### Trouble in forecasting

BUT, like Marxian economics, the moment the movement developed into a relatively large cult, it ran into trouble. Dow theorists proclaimed a bull market in July, 1939, and then had to announce a bear market in May, 1940, at a point below the level at which they had previously advised buying. The infidels of Wall Street were quick to seize on this episode.

"What kind of aid is this," they asked, "that gets you into the market high and then sells you out at a lower point?"

Since then, the Dow cult has broken off into more and more splinter groups. Deviationists from the party line appear regularly. The verbal warfare, the head-splitting and the hair-splitting that go on among these groups are something to behold.

Nor is this self-decimation the only trouble currently besetting the Dow theorists. They must explain away another embarrassing fact of life. It was in September, 1946, that the falling stock market gave a bear signal under the theory. Traditionally, this should have been followed, or even accompanied by, a falling off in business activity. Instead, industrial production perversely climbed upward. Faced with this confounding evidence, the Dow theorists can only say, "Wait and see. In the long run we'll be right."

To which the unbeliever replies, "And in the long run, we'll all be dead."

Hardly had the business man steeled himself to the lamentations of Dow than he was attacked with rhythms and cycles. Now there is nothing new in the idea that business activity rises and falls in a regular measurable rhythm. The economist W. S. Jevons (1835-82) wrote extensively on the sub-

ject, and many others followed him. But the discussions rarely reached the market place. Imprisoned within academic halls, the dreadful notion that a cycle could carry your business under, even if you did watch out, scarcely occurred to the American business man.

Then, in the spring of 1947, came a book titled "Cycles: the Science of Prediction." Its substance was the work of Edward R. Dewey, a former Department of Commerce man under Herbert Hoover. The book's form was largely the phrasing of Edwin R. Dakin, a public relations man. It was launched at a time when many big business men were getting a little shaky about the future, and jumped into the best-seller class within a matter of weeks.

Dewey and Dakin marked out the rhythms which, in their opinion, have repeated themselves so often in business history that they "cannot reasonably be the result of chance," and therefore will repeat themselves in the future:

"1. The underlying 54 year

nine-year rhythm reaches a peak in 1946, or shortly after (it depends on the business in question), so the three and one-half year pattern, which is almost universal in business, is due for a peak in 1947.

"Other peaks in the three and one-half year rhythm are due in 1950 and '54. Lows are due in '48 and '51."

Thus, according to the cycle theory, by the middle of 1947 all trends were downward. Bad news, it is said, travels fast. Within a few weeks, gossip about the book was spreading fast in corporate circles. Company presidents vied with one another in buying gift quantities of the publication to send to their friends and associates.

### Mathematics and the market

NOR is this a complete catalog of the prophets who have been frightening business men over the past two years. In January, 1946, one appeared in the conservative financial columns of the New York Times. This was Winthrop Park-

hurst, a mathematician of note who once demolished Bertrand Russell in a monograph entitled "Infinity and the Infinitesimal."

In a contributed article which was principally a dissertation on the sensitivity of the Times' stock market indices, Parkhurst casually dropped a bombshell. The bull market (then rampant) would end in 1946, he said.

Also, he boldly named the point at which the market would die. The prediction punched the Times readers amidship. They responded with the greatest volume of letters ever produced by a Times financial story. Nor was this the end. When the bull market did halt in 1946, gasping its last breath near the point originally named by Parkhurst, there arose a clamor for more.

Parkhurst obliged with four more articles elaborating on his original theme. But he spoke a language few could understand, because Parkhurst is a pure market technician. From his mathematics and his logic, he turned to stock market analysis as a hobby.

"It is a uniquely dramatic form of applied mathematics," he says.

But Parkhurst rejects the popular notion that the stock market is

(Continued on page 92)



Opinions differ as widely as their sources

rhythm in wholesale prices is on the decline. It turned in 1925; the pattern is due to reach bottom in 1952.

"2. The shorter nine-year pattern in wholesale prices—a rhythm that applies also to iron, steel and stock market prices, which had its last high in 1937, reaches for another high in 1946. The pattern is then due to turn down until 1951.

"3. Just as the pattern of the



Some people go to extremes in claiming dependents, even listing pets

# Tax Gatherers Are People

By JERRY KLUTTZ

**COLLECTING** taxes for Uncle Sam is a serious business. However, it oftentimes has its lighter side

**T**HIS is the time of year that anything can happen—and usually does—in the offices of the Internal Revenue Bureau. The 50,000,000 people who file income taxes these days—unlike the Frenchmen in the song—can't all be right.

Take the case of the visibly drunken New Yorker who went into a revenue office to pay his tax.

He answered all the usual questions without too much trouble. When the collector mumbled sympathy about the size of the tax, his well-meant words were waved aside. Instead, the taxpayer pulled out a roll of bills and paid in full. As he left, he addressed a long line of waiting taxpayers on the virtue of paying taxes. He expressed a purple opinion of the chiselers who don't.

No one would have thought another thing about it in the midst of the March rush, except that, a day later, the deputy saw the same man preparing a new tax return and unfolding currency to pay the bill. But this time the man was cold sober.

"Are you filing an amended return?" the deputy asked him.

"Why no. I just want to get my tax out of the way before the March 15 deadline," the taxpayer replied.

"But you paid it yesterday," the incredulous collector cried. "Don't you remember? You had me prepare your return."

The taxpayer grinned sheepishly and said, "Holy smokes! I sure must have had a dandy on. I can't remember a thing."



You may be upset, but the agent is just doing his duty



One man forgot he had paid his tax while on a binge

There may be several morals to this story, but one of them is that the supposedly hard-hearted tax collector is apt to be a pretty human sort of being.

Contrary to the standard jokes, the government tax collector isn't out to strip your pocketbook beyond the letter of the law. If the deputy hadn't spotted the taxpayer on his second visit, the regular business of the internal revenue office would eventually have turned up the double payment, and it would have refunded one of them. In fact, every year, the Government refunds money on its initiative to hundreds of thousands of taxpayers who overpay unintentionally—usually because of faulty arithmetic.

Those who think of the revenue offices as a one-way street must be unaware of the fact that the Gov-



One irate lady tossed her gallstones at the collector

ernment pays a refund on three out of every five returns it gets, or to about 30,000,000 taxpayers. The bulk of these refunds arises from the crudities of the withholding system, under which your boss takes a fixed amount of tax out of your pay every payday. If the tax return shows the withholding was more than the correct amount, the Government refunds the difference. Last year it gave back \$1,400,000,000.

There are, of course, all kinds of tax collectors—and, all kinds of taxpayers, too. Most often, when a collector makes you mad, he's just trying to do his duty.

There was, for instance, the deputy in a west coast office who



One woman was requested to bring her husband—she did

had the job of interviewing a woman about her tax return—specially, to find out why she claimed an exemption for her husband without reporting his income. Finally, the deputy suggested that the woman go home and ask her husband to come with her and ex-

plain why his wages weren't reported. She brought her husband the next day, all right. Neither she nor the deputy commented on the black rim around her right eye.

The biggest problem of a collector is to apply a library-full of laws and regulations to people who, in probably most cases, are almost completely ignorant of both tax laws and accounting principles.

In a southern state not long ago, the collector called on a small-town druggist to explain a large amount deducted in the tax return as "losses" for his drug store. The druggist explained, in all sincerity, that the loss was due to the fact that, during the height of the ice cream season, he broke his small dipper for filling nickel cones, and—being unable to replace the dipper for several weeks—he had been forced to sell nickel cones packed with the dime-size dipper.



The tax agent isn't out to send you home in a barrel

It was simple, in this case, for the collector to explain that taxes are measured by the over-all profit of the store, not by losses on single items.

It was not so simple for the collector in another state recently to explain to a kindly old woman why she couldn't claim "dependent" exemptions for two small children she supported in her home. The children belonged to an irresponsible father and an unbalanced mother. The county had taken the children as its wards, and had placed them with the old woman upon her volunteering for an act of charity.

The collector told her how the law had been changed in 1944 so that only relatives can be claimed as dependents. The old lady went away, worrying about where she could raise the extra tax. The collector pondered long, too. So, when

the parish priest renewed the old lady's plea, the collector had pieced together two or three sections of the Internal Revenue Code and came up with a solution.

He still couldn't allow the dependents. But, he reasoned, the children were officially wards of the county. Charitable contributions to the Government can be



In many cases overpayment stems from poor arithmetic

deducted the same as other charities. The result was practically the same as if dependent exemptions had been allowable. The old lady's tax was restored to her original calculations.

One trouble ordinary folks have with the income tax is that, understandably enough, they think in terms of what seems fair practice to them. But the tax collector is restricted by a set of laws. If, in a particular case, the law doesn't seem fair, there is nothing the collector can do about it. That's up to Congress to amend the law.

For instance, before the war the tax law didn't make any allowance for medical expenses. An elderly woman walked into the San



On three out of five returns the Government pays a refund

San Francisco office at that time and demanded a \$1,000 deduction for the cost of a gallstone operation. The legal explanations of the deputy only made her madder. Finally, she rummaged through a large purse, slammed the gallstones on the desk and walked out.

Nowadays, the law allows deductions for medical expenses over and above five per cent of your income. The only difficulties on this subject now arise when a revenue auditor, as part of his job of verifying the claims made in tax returns, starts asking questions.

The most common tax problems have to do with exemptions for wives, children, and other depen-

was being questioned at a southern tax collector's office. The conversation went like this:

"Are you married?"

"No sir, but I have a three-year-old boy as a dependent."

"There must be a close relationship to sustain the dependency claim. Does that close relationship exist in this case?"

"All ah knows is that if I don't have \$7.50 every week down thah, de law comes out and gets me!"

An Iowa girl came to a question on the tax form asking if she was married, and wrote in the space, "No—darn it."

The same sentiments moved another youthful taxpayer, who thought his refund check overdue, to write:

"Since I am but a mere, poor college student, since I am yet a young man, since this is spring, since in spring a young man's fancy turns to thoughts of love and since love runs into money, I wish you people would see your way clear to further this important cause as soon as possible, or sooner. Thank you."

Older taxpayers, who have already sampled matrimony, occasionally are less romantic. One husband who was asked whether his wife had any income of her own was especially blunt. He wrote, "No. She is a liability."

In another part of the country,

by a third husband. He was asked to identify the relationship of a person listed on his return as a dependent, and to justify the claim. This man answered, "She is my wife. I feed, clothe and give her entertainment."



A youth needed his refund for an affair of the heart

Present difficulties about dependents date from the 1944 income tax law which increased dependent exemptions from \$350 to \$500 apiece, but tightened up their definition. To qualify as an exemption now, a person must (a) get more than half his support from the taxpayer, (b) be closely related to the taxpayer, (c) have less than \$500 income of his own, and (d) not file a joint return with another taxpayer (designed to prevent young wives from giving exemptions to both their husbands and parents).

The rule against a dependent not having \$500 income of his own creates special problems in some households. It is not uncommon for a parent to tell his soda-jerking son to quit work when his earnings near \$500, for fear the parent will lose the son's exemption.

Frankness by taxpayers is not (Continued on page 93)



Contest prizes are taxable no matter how you figure it

a similar spouse blandly filed a claim for "depreciation" on his wife "because she is all wore out and can't get my breakfast any more."

Besides children, people in various localities have claimed pet cats, dogs, ponies and other animals as dependents. One taxpayer listed as a dependent "Toby, my tapeworm."

A different view was expressed



One taxpayer listed a tapeworm as a dependent



If sister Susie earns \$500, father loses an exemption

dents. In an eastern state last year, a taxpayer attached this explanation to his return:

"I am filing my kid's mother as a dependent since her support, along with the kid's, is my responsibility. The housing shortage has postponed our marriage for 14 months."

Quite a few problems come up like this. Actually, it is a state, not a federal question. Some states recognize common law marriages, others do not. The income tax rules must follow state law in such cases.

Since tax returns probe so deeply into personal financial affairs, many taxpayers feel no restraint in discussing other intimate matters. Such must have been the case of the man who wrote to explain that his return was delinquent because he had been in Florida with his wife who was expecting a baby.

He promised, however, that if the tax collector would forgive this instance, he would "never let it happen again."

Legal definitions of dependents and their necessary relationship didn't faze a young Negro lad who



# Political Thunder

**P**OLITICAL experts who can spiel off election returns in Hamtramck or Great Neck over the past half century look at you quizzically when you bring up the subject of politics over the next 50 years.

"I'm just a minor prophet trying to dope out the '48 election," one of them said. "I leave the long-range stuff to the major prophets."

As a matter of fact, the major prophets have a big advantage because few readers will survive to check on the accuracy of the predictions. Furthermore, the major prophets can traffic in generalities and long-term trends.

Be that as it may, several current developments in our national life do indicate these useful, long-range conclusions about American political life:

1. A sharp westward shift in population.
2. The rapid growth of big cities at the expense of rural areas.
3. The spread of industrialization in the South and West.
4. Unionization of workers, coupled with greater political activity by organized labor.
5. The steady march of government into the field of economics.

These are the fundamentals that will shape our political destiny. Whatever may be the issues or personalities in, say, 1960 or 1980 or 2000 A.D., they will represent but lightning and thunder produced by the interplay of these fundamental forces.

The population figures that the Census Bureau is now grinding out probably have more long-range political significance than all the press releases issued by the major political parties since the invention of the mimeograph. The figures reveal that more than 4,500,000 people have moved from one state to another since 1940.

In this turnover, the Pacific Coast states of California, Oregon and Washington have made spectacular gains, while some of the states that have long been seats of political power—New York, Pennsylvania, Illinois and New Jersey—have lost population.

Since census figures represent voters, we are witnessing a westward movement of the center of political gravity. If the trend continues through the regular census in 1950—and it probably will—Congress will face its most extensive membership reshuffle in 40 years. The West will be the big ground-gainer—not only in Con-

gress, but in the national conventions of the two major parties and in the electoral college, where the President is actually elected.

As people trek west, our politics will likely take on more of a western flavor. For example, the western states have always been disposed to use the money and authority of the federal Government to develop natural resources. They generally favor public works expenditures for reclamation, flood control and power, whereas the older states, being already largely developed, look askance at such spending. Nor does the East have the West's tolerance of public power ownership.

When we speak of the rise of the West, we mean principally the rise of California. Population has gone up 36 per cent there since 1940. By 1950, the state should gain six to eight more seats in Congress and proportionately more strength in the national conventions and electoral college. (Elections will not necessarily be determined, as in the past, by the votes of New York, Pennsylvania, Ohio and Illinois.)

California has been pivotal in national politics before. The most memorable occasion was in 1916, when Charles Evans Hughes went to bed confident he had sufficient



# in the West

By J. LACEY REYNOLDS

**YOU'RE mistaken, Mr. Candidate, if you think America will ever be the same again. We're growing up**

eastern votes to become President, only to awake next morning to find himself defeated by the loss of California's electoral vote.

California will inject an unpredictable factor into national politics. In that state, party lines are trespassed with impunity, and political tags mean comparatively little. California has a system of cross-filing that permits a Republican to run in the Democratic primary, and *vice versa*. It was thus that Governor Warren was able to win the Democratic nomination last time, even though he is Republican.

Much of our political thinking in the past has been generated in the northeastern states. But California seems to be rising as a challenger. Remember that California was the cradle of "Utopianism," "Ham and eggs" and "Thirty dollars every Thursday."

The Census Bureau is turning out another set of significant figures showing that America is fast

becoming "citified." The trek from farm to big city—that is, to cities of more than 100,000—has progressed steadily since the turn of the century. In 1900, 25 per cent of our people lived in big cities. Today, the number has increased to 40 per cent. By the end of the century it should climb to 50 or 60 per cent.

Something happens to individuals as they change from homesteader to apartment dweller; from producer to consumer. The change has to do with their political thinking. Generally, they lose the grass-roots touch; they surrender some of their rugged individualism; they are disposed to let the mass think for them instead of thinking for themselves.

What happens to the individual is reflected, I think, in the divergence of views as between the rural and the city member of Congress. The rural congressman is inclined toward conservatism and the city congressman toward liberalism—and that sums up the essential dif-

ference. Interestingly enough, the new cities are springing up in the South and West. And the big-city point of view is already penetrating these areas. As a matter of fact, that is the reason that the Solid South is not as solid as it once was.

Thirteen southern members of the House now represent single cities. If you will follow the voting records, you will find that the views of the congressman from Atlanta or Houston or Memphis do not differ materially from the views of the congressman from Indianapolis, San Francisco or Akron—except, of course, on racial matters.

As cities grow, we may expect a change in the old federal-state relationship. The city may short-circuit the state by going directly to the federal Government on such matters as airports, housing, relief. This trend started under the New Deal, when the mayors of New York, Chicago and other cities went straight to Washington for their needs.

The growth of big cities is going to upset the political balance in some states over the next half century. In several rural states, the big cities have been held as political captives. Georgia is a good example: Atlanta has long been dominated by rural Georgia under the

so-called "county unit system," which serves to deprive city dwellers of a proportional voice in government. These relationships may be upset by the very pressure of population.

Other figures prove that the war gave tremendous impetus to the spread of industrialization—in the South and Far West especially.

When industry moves into a new state or community, there are two important political results.

In the first place, industry builds up reservoirs of wealth. It creates or bolsters up a middle class in communities where often there has been none. This acts as a stabilizing political influence in communities which formerly vacillated between the right and the left.

Industry is also bringing into more and more communities organized labor, and labor activity in the political field. It is difficult to gauge the influence of organized labor as a political force. Some are inclined to exaggerate its power, simply because Roosevelt was re-elected in 1944 with CIO-PAC backing. On the other hand, some are inclined to underestimate its power because labor happened to lose a congressional by-election in a labor district in Pennsylvania last fall.

The truth is undoubtedly somewhere between the two. Labor's power lies in the fact that it is forming formidable voting blocs in an ever-expanding number of constituencies.

Though organized labor has not the power to dictate candidates or platform, it can veto the ambitions of candidates and parties when it

joins with other voting blocs. Take the recent senatorial race in Mississippi, where labor is negligibly organized. Rep. William Colmer, a Taft-Hartley Act supporter, attributes his defeat in part to the fact that organized labor threw its support to one of his opponents.

The question invariably arises: Will the United States have a separate labor party?

### Politics and economics

AMERICA is so expansive and extensive and diversified, it is difficult to see how any one economic group can capture political control for years to come. Speaking of a labor party, we might as well talk about a separate farmers' party, or a separate business men's party or a separate party of white-collar workers who like to crochet in their spare time.

A century and a half of American history teaches that the two-party system is here to stay. The two will not necessarily be the Democratic and Republican parties. But there will probably be only two major parties for some time.

Third parties may well arise. But our national experience has been that the third party is a third party for a comparatively brief period. It either becomes one of the two major parties or fades out of existence.

As labor rises in political influence, so also will business. It is difficult to conceive how business could abstain from politics in the face of labor ascendancy, unless, of course, it has lost all instinct for self-preservation.

Business is better organized for political action today than ever before. Politics is no longer an affair for a few tycoons to practice in a smoke-filled room. The war served to give business men a new awareness of government. Most of them traveled to Washington at one time or another. Some of them served in the Government. They may not have liked what they saw; but at least they saw what goes on. That in itself gave them a liberal education in politics.

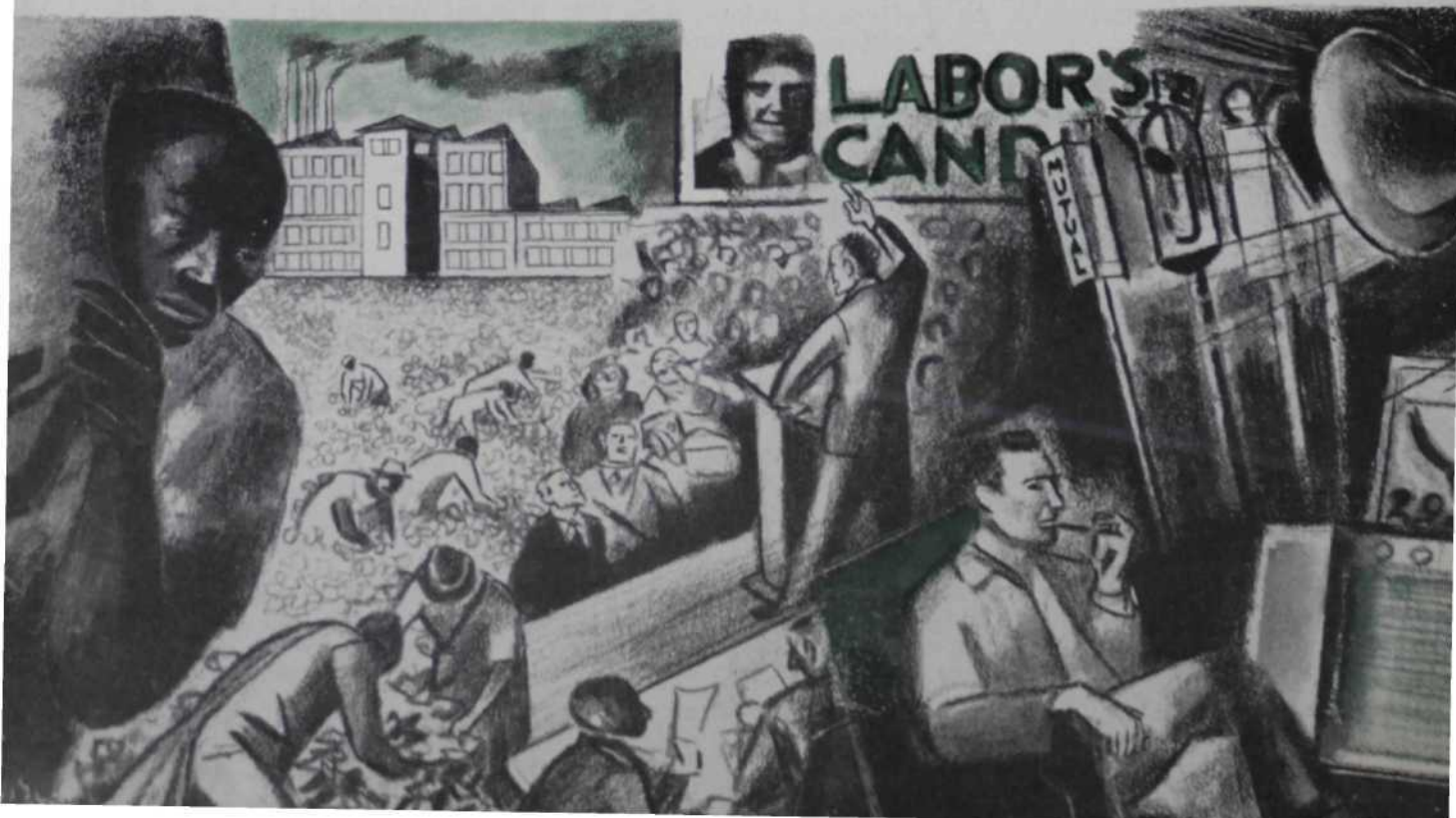
Business men will have to interest themselves more in politics, the more business becomes the business of government.

This brings up the long-range subject of government-in-business.

It is likely that time will bring a greater interplay between politics and economics. At the moment, we have rid our economy of many wartime government controls. But what has been done to disengage government from business in the matter of peacetime controls placed upon business under the New Deal?

The most that the present Congress seems to be doing is to relax some of the New Deal restrictions. What has been proposed is not outright repeal, however, but rather a "change in administration" or an "equalization" in favor of the free-enterprise point of view.

Take the Taft-Hartley Act as an example. Congress did not repeal the old Wagner Act; it did not banish government from the field of labor relations. On the contrary, it projected government further into the field by extending gov-



ernment controls over additional labor-union practices.

As a matter of fact, business admits that Washington is here to stay. Else why is so much time and energy devoted to following business affairs in Washington? There are few major concerns, and fewer major industries, that do not maintain a permanent Washington representative.

America's position as a leading world power cannot fail to affect our political future. The people we send abroad to occupy, administer, travel and trade will certainly return with more than curios. Of course, we can disinfect returning planes to kill off germs and insects; but we cannot disinfect the minds of men. Our overseas contacts will serve to keep us informed of political thinking abroad. We will be alerted to the dangers of alien "isms" because we will know more about them.

It's inconceivable that world economic trends can leave us entirely unaffected. It will be difficult to maintain an island of free enterprise in a world of state controls. For example, the closing of the Liverpool cotton exchange did not constitute world-shattering news. But it may well lead to block-buying of cotton by the British Government and eventually to block-selling of cotton by our own Government, with all the export and production controls that would have to be imposed. We might not want it, of course, but we may have no alternative.

The emergence of America in world affairs threatens the position of the American isolationist.

Already isolationism is losing ground, especially in the Middle West, which was once its citadel.

This is an important domestic development. Differences over foreign issues have long divided the Middle West and the eastern seaboard. The same differences have stood as a barrier between the Middle West and the Solid South, despite the fact that both sections are predominantly conservative and (aside from race issues) otherwise compatible.

### Two parties in South

IF isolationism wanes, the Middle West and South may come someday to a common meeting ground. This would encourage development of a genuine two-party system in the southern states. However, it is still highly speculative. The one-party system in the southern states is deeply rooted in the race issue and this thorny question probably will not be resolved to the satisfaction of both races within another 50 years.

In several states, generally classed as southern but not of the "deep south," the race question is not so acute. There the rise of a potent Republican opposition is not inconceivable.

Into these states are moving thousands of non-southerners, generally Republican, generally conservative and with no emphatic views about race. They find a meeting-of-the-mind with thousands of conservatively inclined southern Democrats who, for the present, maintain their Democratic vote for business or community

reasons. Some of these southerners vote Democratic in local elections because it is the only means at present to be effective politically; but they sympathize with the general objectives of the Republican party in national affairs.

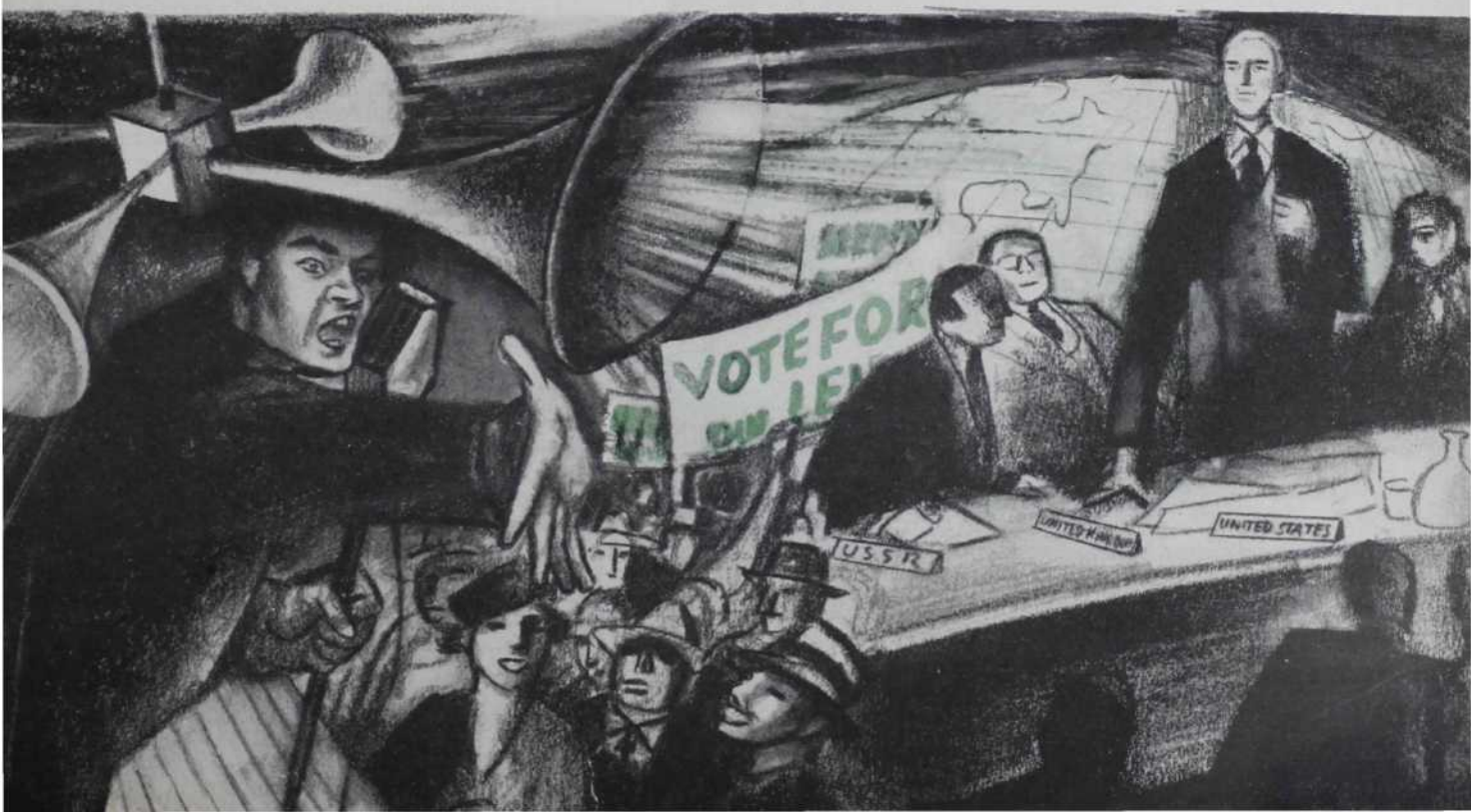
Both of these groups—the new Republicans and the conservative southerners—hold aloof from the local Republican organizations. They consider the latter no more than a self-seeking coterie of professional politicians existing to get patronage when Republicans are in control in Washington.

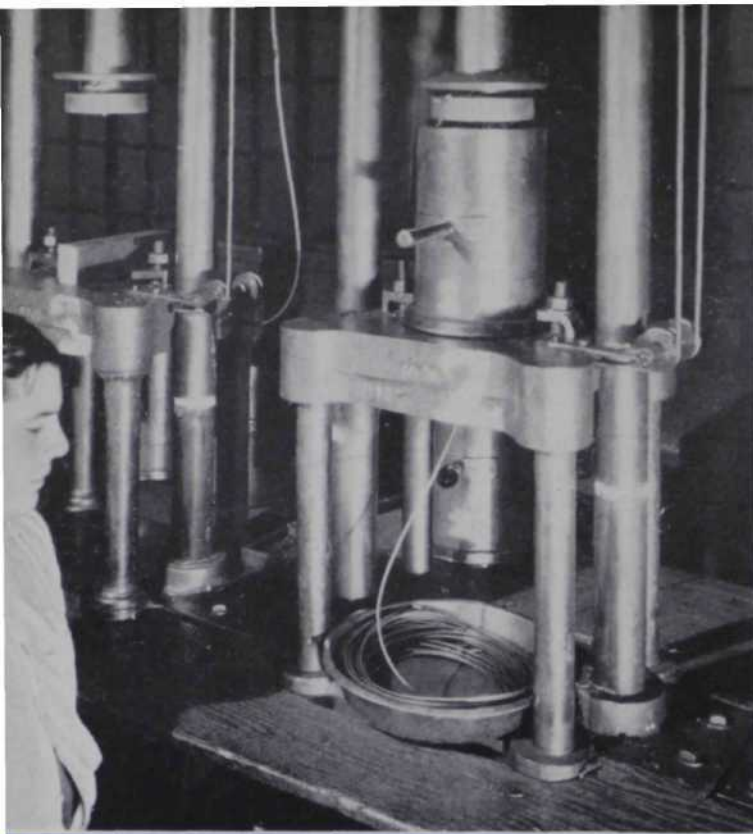
There are seismographic rumblings of Republican activity, especially in Texas. A recent revolt against the old-line G.O.P. setup has been squelched. But the will to resist remains, and campaign contributions from individual Texans to Republican organizations in critical states continue to grow. It may not be too many decades before election day will mean something there.

The next half century will see a big change in the mechanics of political campaigning. Politicking in the future will be conducted more and more on a mass-appeal basis with television the key. The national conventions are slated to be televised for the first time this summer. And the politician of the future must begin preening for his television appearance with plenty of practice before the mirror.

Of course, the mass campaigns will cost more money. Candidates will find it harder to confine their expenditures to the amounts allowed by law. The law may have to

*(Continued on page 65)*





EAGLE PENCIL

**1** A pencil lead takes on its familiar appearance as it is forced through a diamond die under great pressure



EBERHARD FABER FROM BLACK STAR

**2** Once the lead has been dried and cut to approximate size, it is put through hell fires in a kiln like this one

# Your Pencil Could Tell a Sharp Story

By C. LESTER WALKER

THE lead pencil has been called the most used and least appreciated piece of merchandise

**M**AYBE IT IS no news that the lead pencil you were writing with a minute ago isn't a lead pencil at all—having no lead in it whatever—and that even its name is a misrepresentation, since pencil (*penicillum* in Latin) really means a small brush.

But perhaps it is news that Americans now buy about 1,250,000,000 pencils a year—enough to draw a line to the moon and back 50,000 times—and that all these writing sticks are made by 18 American manufacturers.

The American industry began in 1849 when Eberhard Faber set up a factory for the manufacture of pencils in lower Manhattan. Faber's great grandfather had started making them in Nuremberg, Bavaria, way back in 1761.

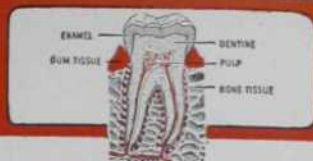
Until then, pencil making had been an English monopoly which dated back to 1564 when an oak blew down in Borrowdale, a town in Cumberlandshire. Sticking to the oak's roots was a strange black substance and under the tree was a great deposit of the stuff.




This was the world's first graphite mine, but for some time nobody knew what to do with it. Later, shepherds used it to brand sheep. Then it was found that it marked like lead. So it was named plumbago—Latin for *acting-like-lead*. (Hence our own *lead* pencil.) Then someone discovered that this plumbago could be sawed into small sticks which were good for writing. With that the Borrowdale mine became fantastically valuable.


Guards watched it day and night and escorted the ore wagons all the way to London. The Crown forbade its export, and England's Pencil Makers Guild had a world monopoly good for 200 years.


Elsewhere in Europe would-be pencil makers searched frantically for graphite. But none found was like Borrowdale's—usable in stick form. Graphite from other deposits had to be crushed to remove the impurities, and there was the

# Your teeth look like this



When decay starts,  it eats through the hard enamel and spreads into the softer dentine.  Unless checked, this infection reaches the pulp chamber from which  it may enter the blood stream and cause damage or disease in other parts of the body.

Periodic examination, cleaning, and treatment of teeth by your  dentist can usually check decay before serious damage occurs.

Gums must also be guarded.  Bleeding gums, pyorrhea, and trench mouth can indicate infection. They may result in loss of teeth and affect general health. *See*

*your dentist regularly to help safeguard your health!*

## Good teeth deserve good care

Dental authorities urge that you clean your teeth and gums carefully after meals and before going to bed.

You can help to maintain healthy gums, and to retard the rate of decay in teeth, by keeping your general level of health high. Eat enough of such foods as milk, milk products, eggs, fresh vegetables and fruits.

The right diet is especially important for very young children who need foods rich in minerals and vitamins to help build strong, sound teeth and healthy gums.

Vigorous chewing of tough, crisp foods aids in keeping teeth and gums healthy. Fruits, preferably at the end of the meal, help to clean the teeth and prevent decay. They are also helpful in preventing bleeding gums.

Don't wait for pain to drive you to the dentist. Visit him every six months, or at such intervals as he suggests. His examination, aided when necessary by the X-ray, usually can detect hidden trouble such as abscesses at the roots of apparently healthy teeth. Prompt treatment can generally correct the condition before it may impair your health. For further helpful information on teeth and

gums, send for Metropolitan's Free Booklet, 38-P, "Good Teeth."

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TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!



EAGLE PENCIL

**3** From the kiln, the lead goes to a vat where it is boiled in tallow, Brazilian palm wax and spermaceti



EBERHARD FABER FROM BLACK STAR

**4** Some 200 different operations are necessary before the common wood pencil is finally ready for inspection

problem of how to bind the powdered material to make a pencil lead. Casper Faber of Nuremberg first did the trick, with glue, sulphur and resin; but it was a poor lead compared to that in a modern pencil. Thirty-five years passed before the modern type of pencil appeared.

It came from France and was the work of Nicholas Conte, a scientist in Napoleon's army. Conte mixed powdered graphite with powdered clay and fired the combination in a kiln. The result was a lead that was hard, less brittle and smooth.

It is the same today. The lead is actually a ceramic which has gone through hell fires at 2,000 degrees Fahrenheit. Its seven-inch length could draw a line 35 miles long.

#### Four companies make most pencils

OF OUR 18 pencil companies, probably only four are readily familiar to most Americans. These are Eagle Pencil Company, Eberhard Faber Pencil Company, American Lead Pencil Company and Dixon Crucible Company. The four are located in New York and New Jersey. In a year they do some 60 per cent of all pencil business.

They produce the four most popular pencils: Eberhard Faber's *Mongol*, American's *Venus Velvet*, Dixon's *Ticonderoga* and Eagle's *Mirado*.

All these pencils have a best selling color, yellow. Nobody knows why, but buyers prefer it.

A manufacturer once defined a pencil thus: "The most used and least appreciated piece of five-cent merchandise in the world."

No exaggeration, either, when one considers it took more than 25 different materials from practically everywhere to make that No. 1 *Ticonderoga* which nestles behind your office boy's ear. Cedar from California, graphites from Mexico and Ceylon, wax from Brazil, gum from Persia, oil from the South Pacific sperm whale. To combine these materials into a pencil requires 200 different operations and more than 100 factory and laboratory tests.

It takes about a year to build a pencil. The first step is the wood cutting. A good pencil has to have cedar wood—only cedar is tough enough, free from warp and knots, and yet will whittle properly. So-called Virginia Cedar from the South is the best. But that is running out. So, today, West Coast incense cedar is generally used; Virginia Cedar being reserved for drawing pencils—the ten cent kind. To get it, American Pencil Company has even purchased old fence rails from Tennessee and Kentucky farmers.

The four big companies have their own timber tracts, forest experts and mills which saw the cedar into pieces seven and a quarter inches long, half as thick as a pencil, and six pencils wide. These are "slats." After six months' seasoning they will be shipped to the East to be made into sandwiches.

In the factory a machine will groove the slat with six tracks—parallel, and half the depth of a pencil lead. Glue will then be applied and the leads laid in. Another grooved slat, with glue, is clamped down and, presto, a six-lead cedar sandwich is born. Later a machine will carve it into six pencils, round or hexagonal.

The lead has graphite from Mexico for blackness and from Ceylon for smoothness. For a top-rate pencil lead the graphite must be ground to almost mote size. Since Ceylon flake graphite is



## Because photography can condense . . .

**T**INY AS IT IS, that little rectangle "stage center" is this ad . . . condensed by microfilming's magic. Condensed yet all there — ready to be brought back to original size. Photography can reduce—tremendously—without losing a detail.

As a business or professional man, you can utilize photography's reducing ability in important ways.

You can utilize it to save space . . . to speed reference. With Recordak microfilming, you can "debulk" files 98% . . . keep the film records at hand for quick viewing, full-size, in a Recordak Reader.

You can utilize it to make sales presentations more complete, more resultful. With motion pictures, you can "pack" a plow, a plant, a whole process into a small can of film . . . travel it where you will . . . show it off "large as life" and much more dramatically.

Only a suggestion . . . this . . . of what photography can do because it can condense. For a better picture of the applicational possibilities that stem from this and other unique characteristics of photography, write for "Functional Photography."

**Eastman Kodak Company, Rochester 4, N. Y.**

**Functional Photography** is advancing business and industrial technics.

**Kodak**

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*J. A. W. Fadden*  
PRESIDENT



# American Credit Insurance

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Offices in Principal Cities of United States and Canada

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the world's most perfect natural lubricant, its grinding was once a serious problem. But the pencil laboratories have found ways. Eagle, for instance, has an attrition mill in which graphite flakes are sucked through pipes containing air strata moving at different speeds. The flakes just grind one another to pieces. They come out in a fog that will float in air.

To make a pencil hard or soft, the answer—as Nicholas Conte discovered—is to mix in clay—the more clay, the harder the pencil. Today the most popular lead, No. 2, begins as a mix of roughly 66 per cent graphite, 33 per cent wet clay.

This mix is run through a press and comes out looking like a black hamburger. Then it is hammered into a solid plug and pushed through a diamond die. Once through the die it is cut by hand and stretched straight on boards to dry. Next it is chopped to near pencil lengths, bundled into crucibles and sent to the kilns.

On coming out a pencil lead under the microscope is a clay and graphite sponge. It must, therefore, be boiled in oil. It stews in hot tallow, Brazilian palm wax, and the whale's spermaceti.

How smooth will a pencil write? Pencil makers know with scientific accuracy. In the Eagle Pencil research laboratory hangs a giant eight-ton pendulum. Unchecked, it swings for 26 hours. But a pencil, the smoothest known, put in a fixture close by, with its point just brushing the pad of paper attached to the pendulum, cuts the giant's swing-time to 11 minutes. Others,

(Continued on page 90)



"We might as well quit. It's costing us more to print a dollar now than a dollar is worth"



"... years can never make us sad while together we can sing"

# Old Folks Get a New Look

By JOHN LaCERDA and BARBARA BARNES

ONE OF THE increasing social problems of our times is what to do about the loneliness of old folks.

In past generations, when families were larger and more cohesive, there was usually a place by the fireside for "granny" and "gran'-pop." They were an accepted part of the family circle. Today, however, things are different. The tempo of life has moved up, homes are smaller and the aged have been left, in greater proportion, to a forlorn and forgotten social existence.

Fifty years ago, only one person in every 23 was 65 years of age or older. Now the ratio is one in 14 and by 1980 it is expected to rise to one in seven. Americans, in other words, are living longer. Life expectancy in 1900 was only 50 years, today it is better than 65.

There is genuine concern about the consequences of this trend. Dr. E. L. Bortz, president of the American Medical Association, says that "age, in the world today, is the ultimate tragedy, the most devastating experience of life."

Other experts, both medical and social, admit that, although fundamental needs such as pensions



Miss Georgene E. Bowen: Hers is a new "Philadelphia Story"

and physical care are fairly adequate, America must do much more. The aged, they insist, must be made to feel that they "belong," that the world needs them, that they are not rejects of society.

Some cities—and it is in the cities that the problem is most acute—already are doing something about it. Cleveland, Chicago, New York, Los Angeles and St. Petersburg, Fla., among others, have certain specialized agencies which deal with new patterns of living for the elderly. Most authorities agree, however, that Philadelphia has the most dramatic and far-reaching program.

Keyed to a slogan that "older people are merely young people who have lived a little longer," the Philadelphia project is aimed at reaching the city's estimated 136,000 persons who are 65 and more. Forty clubs have been sponsored by various agencies under leadership of the Philadelphia Recreation Association, which is a Community Chest affiliate. Fun, through recreation and participation in group affairs, is the keynote. The activities are homey and so inexpensive that no community anywhere should find them a financial burden.

The golden-age clubs meet mostly in churches, settlement houses, Salvation Army quarters, YMCA's and YWCA's. One group of senior

citizens calls itself The Blizzard Association. The members, all of whom are survivors of the great storm of '88, meet to exchange tales of experiences during the blizzard and to read letters from other survivors throughout the world. Other clubs bear such names as Happy Age, Willing Workers, The Good Companions, The Older Slows, Borrowed Time, Sunshiners, Old Timers and The Jolly Club.

### Something to do

"MOST of the members," says Miss Georgene E. Bowen of the Philadelphia Recreation Association, a plump and jovial social worker who has been primarily responsible for the program's success, "tell us that, before they joined, they were depressed—not because they were old, but because they had nothing to do."

For instance, one woman, now an officer of The Happy Hour Club, applied in 1940 for admission to an old people's home. A few weeks ago she was notified that the home finally had room for her. At the next meeting of the club she announced the news. "But I'm not going!" she exclaimed. "Things are different now. I'm not as old as I used to be." The other members cheered.

Not long ago a man of 70 attended a club meeting in his neighborhood for the first time. He found a "talent show" in progress. The show ran for three hours and then was adjourned until the following week.

At the next meeting, the man reappeared, this time carrying a clarinet. When all the others had displayed their talents, from poetry-reading to singing, he went to the front of the room and played. He wept at the applause. Later he told the club's leader, a neighborhood housewife, that it was the first time in 40 years that he had played the instrument. To play it, he said, he had filed down his false teeth—which had been too long to permit proper tootling of the clarinet.

Today that man, instead of being a sad social exile in a garret room, with only the arrival of his pension check to look forward to, is enjoying his new-found friends. Together they go on sightseeing tours, visit parks and historic shrines, attend movies, debate political issues, and exchange memories. At club dances, he is partial to a white-haired grandmother who, until recently, had never learned to dance because, when she was young, her parents objected to such frivolity.

This dancing grandmother has not been alone in the discovery of new experiences. Many elderly persons never saw the inside of a zoo until they went touring with their clubs. Others never saw a movie, because they were too busy rearing their families. Billiard playing is tremendously popular among both men and women in the Philadelphia program. Why? Because it represents a suppressed desire which many could not fulfill in younger days.

Dr. George Lawton, psychologist, contends that old age actually is only the death of ideas and that people can stay young mentally, even though not chronologically, if they "switch roots." Some persons, he declares, actually die at 40 but are not buried until they are 70. Others continue to grow through new experience and activity and are never considered old.

The Philadelphia Recreation Association's program proposes, for the elderly, just about what the YMCA's propose for the young, but at a geared-down tempo.

There is a constant recognition



Folks who couldn't dance as kids, now find it fun

While some go for cuttin' a rug, others go for makin'



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that even though a person may be aged and physically burdened, he still retains certain skills. Artistic ability and literary talent, for instance, linger through the years. So do imagination, education and that worth-while value known as common sense. Sociability toward others of similar age also is a lasting attribute among most people.

Club members prefer a minimum of direction. They would rather decide for themselves what their activities shall be. This simplifies the job of club organizers; they tie the loose ends together.

Take, for instance, the Haverford Center Club, organized in 1946. At first, the organizer tried to interest the members in basket-weaving. But they wanted something "livelier," so they turned to dominoes, checkers and other table games. When refreshments were served, the dishes were hurriedly pushed aside so the games could resume.

Another club chose "sitting and visiting" as its main pastime. Another took up singing and now has its own theme song, composed by a member. "In friendship we will be glad," goes the song, "young in spirit, that's the thing; years can never make us sad while together we can sing." Running the theme a close second are "The Army Air Corps" song and "Hot Time in the Old Town Tonight."

The rector of one church whose hobby is home movies supplies a film for each meeting of a club called "Always Happy." The most popular reels are Charlie Chaplin revivals.

Another group, composed mostly of women, has "adopted" a widower of 75. Each week he brings in a bundle of laundry. The women divide the clothing, each taking a shirt, a handkerchief or some other garment. The next week they return with the clothes washed and ironed. They also perform incidentals such as darning and button-sewing. The man has passed the word among his cronies and now others are appearing for adoption.

Most elderly persons enjoy a bit of gossip. In Philadelphia, it has been found that men are more prone to this form of socializing than women. When a man is ab-

sent from a meeting, the other men indulge in snide remarks about him. But if he gets into trouble—if it is learned that his rent is unpaid, or that he has run out of coal—then there is an outpouring of sympathetic concern. To raise money for one gentleman, the women organized a baby-sitting brigade; when on a baby-watching assignment, they always worked in pairs so that one woman could backstop the other.

There is a blind woman who has never missed a club meeting. Each week one of the members drops by to escort her to the gathering. Another group includes a one-legged, one-armed man who said he hadn't smiled in three years before joining the club. Now he invariably appears 30 minutes ahead of meeting time to have the books ready. He also is adept at leather-work and making artificial flowers.

Philadelphia letter carriers have told Miss Bowen of the pathetic eagerness with which oldsters wait to receive postcards announcing the forthcoming programs. For some, this is the only mail they ever receive.

### Action helps old folks

PSYCHOLOGISTS say that George Washington's writings indicate he became somewhat neurotic and introspective after retirement from a life of action. He continually worried about his ailments. Today's aged are the same way, specialists in geriatrics say.

Psychiatrists have observed physical improvement in some elderly persons after they joined the Philadelphia recreation clubs. At least 20 women who formerly were chronic arthritics now attend needlework meetings.

There is, incidentally, an unwritten rule that, at club meetings, aches and pains are not to be discussed. It is agreed that everyone has a few ailments, either real or imagined, so there's no sense going into boring details.

Realistically, however, there is a recognition that death draws inevitably closer. When a meeting adjourns, there is a reluctance to use the word "goodbye."

Several marriages have resulted from club friendships. One couple, divorced for years, patched up their estrangement over a game of club-sponsored checkers. Match-making, however, is not the program's intent; Cupid benefits only incidentally.

Although the Recreation Association gives over-all direction to the Philadelphia project, most club



Who said old folks don't have a sense of humor? Look at these hats

expenses are borne directly by neighborhood sponsoring organizations.

Club leaders are unpaid volunteers. Because 26 per cent of the city's elderly citizens have incomes of less than \$40 a month, membership in all sunset clubs is free. A few members, however, are persons of wealth. One woman, her family having grown up and left the city, was spending her final years in a swank hotel suite. One day she fell ill, but the doctor said there was nothing wrong with her that companionship wouldn't cure. He recommended a recreation club. Now she is well again—and gladly buys refreshments and equipment for the club.

### Programs, the big need

MISS BOWEN, who has a background of social work extending from New York to the Orient, took over the old-folks program in 1946. At that time there were only eight clubs, some of which had been organized originally in 1944. But their programs were haphazard.

"At first," she recalls, "we had to feel our way. We had only one or two facts to go on. We knew that older people usually felt lonely and rejected, but what could be done about it? We had no beaten path to follow."

From her experience, Miss Bowen has evolved a pattern which she feels other cities can follow.

"Make certain," she advises, "that club leadership is warm and cordial. Cold efficiency and discipline will make members drop out."

"Lonely persons who come from comparative seclusion into an unfamiliar group tend to be too amenable to domination. Try to prevent outspoken or aggressive members from dictating group thinking and action. Through a long period of becoming acquainted naturally, each member can be drawn out more easily to self-expression and individual activity."

"Some clubs will assume the nationality and folkway patterns of their neighborhoods. This should be encouraged."

"Keep the clubs democratic. Do not wait on members too much. Do not permit favoritism in any form. Introduce new ideas, but don't force them. Encourage an atmosphere of gaiety."

"Limit the size of each club to 50 members at the most. The smaller the group, the greater the conviviality. It's better to have many small groups than a few large ones. Encourage members to become doers and not mere spectators."

"Club directors can be recruited



● Plate glass windows and Tuf-flex doors show the variety of women's fashions at Waltman's, Abilene, Tex. Architects: Hughes and Olds, Beverly Hills, Calif.

● This ceiling-to-sidewalk Visual Front displays the entire interior of Eddy Harth's, Beverly Hills, Calif. Designer: Paul Laszlo, Beverly Hills.



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**FLEXIFONE INTERCOM SYSTEMS**

through social agencies, women's organizations, school systems and elsewhere. Stories in newspapers will help to attract leaders and members alike. Announcements in churches, schools and homes for the aged will spread the word."

Miss Bowen recommends that formal organization of the clubs and the election of officers be postponed until members have become well acquainted. People who have lost old friends need time to meet new people and enjoy them. They need time to think through and plan their leisure activities. If possible, club rooms should be open daily.

### Friendships important

DIRECTORS should remember, when guiding the elderly toward hobbies, that such hobbies are not ends in themselves but are the means of developing individuality and friendships.

For discussion sessions, there can be such topics as: "Is a heavy garment better than two light ones?" "What you can cook on a one-burner stove." "How to treat a grandchild." "My funniest, and most embarrassing experiences."

Yesterday-and-today masquerade parties are popular. So are hat-making classes, pottery-making, and exhibits of personal treasures. Old timers usually like to reminisce about the growth of a community.

Realistically, Miss Bowen suggests that leaders should not become counselors, relief experts, nurses, or "purchasers of new glasses." It is easy to yield to the temptation to "do for" old people, Miss Bowen observes, but it is better to have information about referral agencies at hand and to give this information to those who need direct help. Save the club time for fun.

As for spiritual needs, if some members want religious services, a special time should be set aside for these so that attendance can be voluntary. In the words of the Rev. Frederick R. Isacksen of the Church of St. Luke and the Epiphany in Philadelphia: "The crowning insult to older people is to use recreation as bait for church attendance. Friendship must be pure and unadulterated."

The Rev. Mr. Isacksen, by the way, attained a degree of fame one afternoon by arranging a "field and track meet" for 30 venerable Philadelphians. Instead of throwing a discus, however, the men threw balloons. For relay races, the contestants carried lighted candles; if a candle went out, the entrant was disqualified, thus assur-

ing that no one would run very fast.

Dr. O. Spurgeon English, professor of psychiatry at Temple University, feels that the lives of many aging Americans would be brightened if they could have their own separate communities. The buildings would, ideally, be of one-story construction and have conveniences which would involve a minimum of effort. There is a possibility that such a project may be attempted in the Quaker City this year.

While Miss Bowen and Mr. Adams believe that U. S. cities should increase present efforts to rehabilitate older persons, they feel that something also should be done by the federal Government. They agree with Harry Levine of the New York City Department of Welfare, who says:

"Recreation for the older person is peculiarly a function of democratic society. In his lifetime he has made his contribution to our way of life. He has given us his energies, his skills, his democratically educated children. We have a debt to him. We owe him the possibility of living his later years without the pain of frustration and rejection. We owe him the opportunity to prolong the usefulness of his life. We owe him the chance to contribute his energies, his experiences and the wisdom of his life to the life around him."

"There should be a national foundation to incorporate the forces interested in the older person, to make available the known material and the newer understanding in the field, to encourage research, to coordinate activity and programs of these centers."



"Something that would help re-establish contact with my teen-age daughter"

## Political Thunder in the West

(Continued from page 53)

be revised to raise the present unrealistic ceilings. During the last presidential campaign, it is estimated that \$8,000,000 was spent in behalf of the two major party tickets. The future may well see presidential campaigns costing several times that much.

Looking into the future, we may see an abatement of political extremism. We have been profoundly shocked and impressed in recent years by the excesses of totalitarian regimes of both right and left. The excesses of the Hitler regime have discredited right-wing extremists within our borders. And the excesses of world communism are fast discrediting our home-grown communist elements.

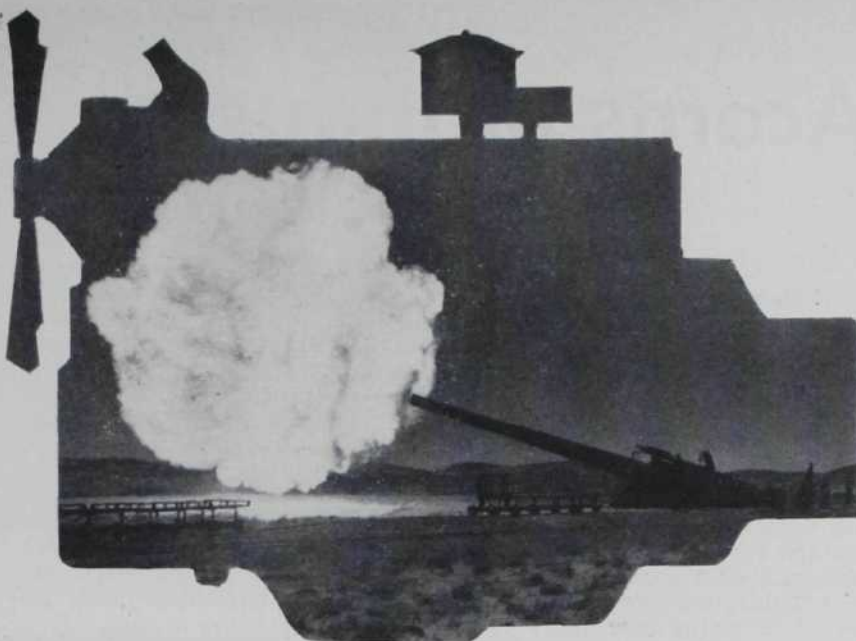
The purge of Communists from the labor movement, under the lash of the Taft-Hartley Act, is but one of a number of current developments that indicate a long-range decline in the influence of the fanatical fringe. These moves will not rid us permanently of the American crackpot. But they will inform the great middle body of our electorate about some of the snake-oil concoctions that crackpots try to peddle.

### Influence of independents

THE independent voter will continue to wield great influence in future elections. His tribe may well increase in size and influence. It appears that more and more Americans are refusing to wear a party tag.

The face of American politics is beginning to show a slight fuzz. Not yet a full-blown mustache, mind you, but enough of one to give evidence that we are maturing politically. In our history, we have experienced our share of political disturbances—the Whisky Rebellion, Civil War, vigilantes, wobblers, sit-downers, election thieves and crookedness in general. But these seem to be fading into our past. We are moving into an era of greater political stability.

As we attain our majority, we should be less violent in our political reactions, more poised in our national and international judgments, less susceptible to the blandishments of the extremes, more consistent and conscious of the adjustments that changing times require for the common good.



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IN 1775, on the eve of our War for Independence, the 13 American Colonies were producing more iron than England and Wales combined. That fact played an important part in helping us win.

Our booming iron industry was also one of the forces that made the Revolution inevitable. Yet it was English economic necessity that got our iron industry off to an early and vigorous start.

At the beginning of the Colonial period England saw her manufacture of iron products rise sharply. At the same time her production of iron fell because ironmakers needed charcoal for their furnaces and forges, and English forests had been reduced.

The first shipload of settlers from the mother country brought this problem with them. In 1608, a year after Jamestown was founded, several tons of high quality American iron ore were shipped to England. Twelve years later, a large number of workers were sent to Virginia to erect three blast furnaces at Falling Creek, 65 miles above Jamestown. Indians destroyed the furnaces the day the fires were lighted and massacred all the workers.

Private English investors organized the next venture and, in 1643, established an ironworks at Lynn, in the Massachusetts Bay Colony. This company-operated plant marked the beginning of the American iron industry. A few years later New Jersey had a furnace at Shrewsbury, near Tinton Falls. Plymouth established a bloomery for making bar iron. Rhode Island's first ironworks arose at Pawtucket about 1655. Connecticut built its first furnace at New Haven in 1657. English investors organized a second company, and founded the Principio Works, in Maryland's Cecil County, in 1715. Pennsylvania stepped into the picture in 1716, and two years later Virginia made a comeback.

The new industry, comprised of small and widely scattered "iron

plantations," soon began to export pig and bar iron to the mother country. However, it was not until England began shipping iron and steel to the Colonies for fabrication that people realized the high state of industrialization of these "iron plantations."

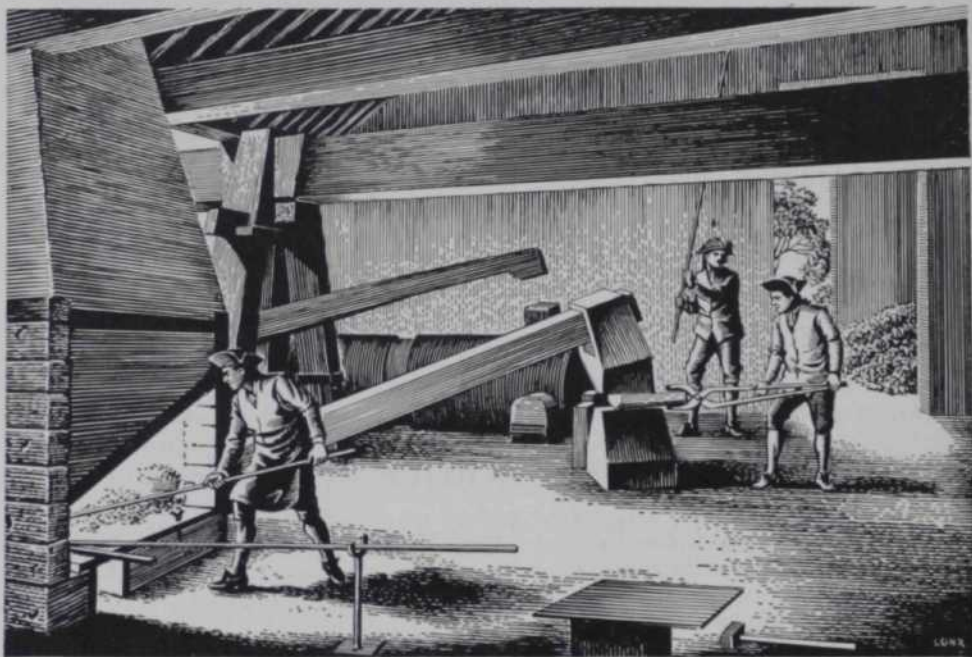
In 1720 British ironmakers asked Parliament to stop imports of American iron. At the same time the metalworking trades brought pressure to encourage such im-

were shortly making mill spindles, iron axle trees, forge plates, forge hammers and anvils.

Before 1770, Pennsylvania could boast of at least 45 forges, 20 furnaces, three steel mills, and works of every kind for processing iron. Maryland had 17 furnaces and 18 forges; Massachusetts 14 furnaces and 41 forges.

There were ironworks from the Carolinas to New Hampshire.

When war became a certainty,



There were Colonial ironworks from the Carolinas to New Hampshire

ports, but to prohibit the Colonies from manufacturing metal products. Neither side won.

World conditions in 1750 tipped the scales against the ironmakers. That year Parliament passed the Act which lifted duties on American iron but rigorously restricted iron manufactures in the Colonies.

With the Act of 1750 there began one of history's epic struggles between government policy and the realities of the market. The roots of our young iron industry were in the Colonial market. We were already producing a large variety of iron products, including muskets, rifles, scythes, knives, axes, pots and pans. Our products were rated superior to the British. Despite the parliamentary prohibition, we

we had 82 blast furnaces against Britain's 77, and 175 forges against the 135 England and Wales could count. The Revolution brought further expansion.

Ironically enough, the very abundance of our forests, which gave us the initial advantage over England, was soon to prove a grave handicap. Some time before 1775 British ironmakers began to switch from charcoal to coke. Watt's improved steam engine put mining on an economic footing. Shortly, England was undergoing the industrial revolution.

Our industry developed more slowly, but in 1890, this time for keeps, we again outstripped Britain in the production of these metals.

—LAWRENCE DRAKE



Mobile studio dedicated to the rural people of Michigan

## Farmers on the Air

**A** FARMER'S opinion on issues of the day once was of importance chiefly to politicians and poll-takers. His views more often than not went unnoticed by the busy city dweller wrapped up in the problems of cosmopolitan living.

That the farmer might have something worth while to say was taken for granted, but little was done about it until a midwest radio station decided that it would be interesting to bring these views to the city. It went without saying that the farmer couldn't be brought into the station without upsetting his production. The answer was to take the station to the farmer.

Radio Station WJR of Detroit built and put into operation a mobile studio containing virtually everything to be found in a modern big city station. The rolling studio is a coach made up of four compartments: main studio, control room, power plant, and driver and passengers' section.

One of its earliest appearances was in the little crossroads town of Hickory Corners, Mich., where a broadcast of the weekly "In Our Opinion" program originated. When the mobile studio moves into a rural community, a little star-and-stripe bedecked figure, "Free Speech Mike," on the front of the coach gestures "Hello;" when it leaves, another symbolic figure on

the rear tips his Uncle Sam's hat to say "Good-by."

The studio has about everything there is in the way of special equipment—loud speakers, running lights, air horns, siren, and red revolving signals to clear the way in an emergency. In such an event the vehicle will be placed at the disposal of the Red Cross or some other recognized agency that might use it.

The studio-on-wheels is dedicated to "the rural people of Michigan, and to all Americans whose duty is to maintain our most precious freedom—the freedom of speech."

Happy over the reception accorded the rolling studio, George Cushing, news editor of the station, says:

"We have many of our most solid citizens in these rural towns, and are going to let WJR listeners hear how they feel about current events."

The station management also feels that farm folks will have more than one message of interest, and that it will not be long before more of the country's larger stations go in for mobile studios along this line.

When that day comes, the voice of the farmer is likely to be heard by most of America—and with more than casual interest.

—A. J. CUTTING

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*a magazine of action for small cities and towns*



The business started when grandpa ruined his best suit

# Eggs of Many Hues

By CREIGHTON PEET

**F**OR THREE GENERATIONS the Townleys have devoted their energy to turning out billions of packets of colored Easter egg dyes.

Though there are a score of firms making Easter egg dyes today, the Townley business is the oldest and the largest.

It all began in Newark, N. J., in 1879 in the drugstore of Grandfather William M. Townley. Though he was an apothecary, mothers in the neighborhood would ask him for two cents' worth of this dye and that dye to use in coloring eggs for Easter.

People didn't cut things thin in those days, and Grandpa Townley would fetch down big square, glass jars of cochineal red, onion skin yellow, indigo blue and walnut brown. He'd flip little mounds of what he guessed would be about two cents' worth of each into medicine papers, and make up little packets. No matter how careful he was, little sprays of dye would fall on his counter, leaving stains which were hard to remove.

Now, in the 1870's, a spotless white marble counter was a druggist's badge of reliability, so messing around with dyes was distressing to Grandfather Townley.

Just before Easter, 1879, a decisive incident took place: A big chunk of one of his dyes came shooting out of the jar Townley was holding. After shattering on the marble counter, it sprayed his best

suit with a dazzling sunburst. The suit was ruined.

The following summer Townley had his store boy measure out little packets of dye in the back yard. They were such a convenience that he sold them in his own store and to other Newark druggists. The little packets, retailing at five cents a color, netted him around \$250.

The next winter he got orders from New York City. Later he expanded his market to the Pennsylvania Dutch country. There he found a trademark forced on him. When he talked about Townley's Easter Egg Dyes, the druggist would say, "Ja, ja, off course—Paas egg dyes—natürlich!"

In vain he kept on talking about Townley's dyes. The customers just said, "Paas egg dyes." His wife solved the mystery. As a girl she had had Dutch neighbors. She remembered that their word for Easter was *Passen*. Undoubtedly "Paas" was a variation of this word used by the Germans of the Pennsylvania Dutch country.

In any event, Townley decided that PAAS made an excellent trademark, and promptly had it registered. He even had envelopes printed announcing "PAAS dyes for Easter eggs, silk, feathers, wool, ribbons, stockings, etc."

It was not long after this that Townley sold out his drug business to devote all his time to Easter egg dyes. Eventually, his son,

Stephan B., took over the management. Today, grandsons, Philip B. and William R., are running things. They paused only long enough to go through Princeton before picking up the family business.

The first improvement in the egg dye package came around 1890 when "PAAS Calico and Picture Papers," were thrown in as an added inducement. Townley's calico papers offered a neater way of making designs on eggs. Around 1900 these papers had pictures of such comic characters as Buster Brown and Tige, Foxy Grandpa, and Mutt and Jeff. Today, Walt Disney and King Features comics are used, as well as religious and patriotic symbols.

It was in 1893 that the dyes were first compressed into little tablets which would dissolve quickly in water. Today, a set of red, yellow, green, blue, orange and pink tablets comes sealed in a strip of Cellophane. To each set has been added transfer papers, a wire dipper and a tiny wax crayon for writing names on eggs. The dye won't take where the egg has been touched by the crayon.

The four-story PAAS factory works two eight-hour shifts and employs about 50 people. All processes are highly mechanized, and hardly a season passes without the Townleys installing some new gadget or machine.

As to employees, one has retired after 50 years of service and is now pensioned. Another has 38 years with the company. A dozen have 25. Ten years' service rates three weeks' vacation with pay, and 25 merits four weeks. And there is, fittingly, a six-day holiday at Easter.

PAAS' customers are equally venerable, some going back even the full 69 years of the company's life.

In 1934 the Easter egg business was the victim of a scare. Someone claimed he had a rash caused by eating an egg which had been colored with a dye (not PAAS). No medical testimony supported this claim, but within a week the air was filled with alarms. Shortly afterward, the Pure Food and Drug Administration stepped in and required all egg dyes to be certified. Now, a sample from every batch is sent to Washington, and a control number must be stamped on each container.

However, PAAS egg colors are, and always have been, harmless. They can be used for coloring cakes and other foods. But Easter is the Townleys' big business—a business which keeps them humming all year.

"The outward forms the inward man reveal"—OLIVER WENDELL HOLMES



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*It lives with good taste  
everywhere*

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# Miracles in Stationery

**A** HOUSEWIFE whose lone asset was faith in herself has built up an unusual business. Her customers include among others the King and Queen of England, the Duke and Duchess of Windsor, Barbara Hutton, members of the Vanderbilt and Rockefeller families.

She is Mrs. John L. Strong—considered by her associates to be a leading designer of individualized stationery. She creates special writing paper, cards, wedding and other announcements for luminaries of royalty, society, Hollywood and business circles. Yet 11 years ago, she didn't know a crest from a watermark.

King George of England uses her paper—white with a blue crown and the line "Buckingham Palace" on it. The Duke and Duchess of Windsor obtain all their stationery from her, along with a combination Christmas and New Year's card. Barbara Hutton regularly orders a card much like it, with an engraved fir tree in a corner.

Thomas J. Watson, president of International Business Machines Corporation, telephoned Mrs. Strong one day for a rush order.

"One of our officials has passed away," he said, "and it is important that we send an announcement of his death to our employes and business associates. It has to be done this week. Can you help us?"

What with the paper shortage at the time, orders for even a few hundred cards were subject to delay. She hoped that the order would be for not more than 1,000 cards. Then she asked him how many.

"Fifty thousand," Mr. Watson replied.

"You'll get them," she promised. "I don't know how, but you'll have them this week."

Her next move, Mrs. Strong admits, could be described as unprofessional. She sat down and prayed for a miracle. An hour later her husband, who handles production, rushed in with the report that a paper concern was going out of business and was auctioning off its



LISA LENZYOL

Once she didn't know a crest from a watermark

stock. Mr. Watson got his cards on time.

It was her faith, she says, that pushed her into a business career. A little more than a decade ago Mr. Strong's legal investigation firm crashed.

"I decided it was up to me to do something," she recalls. "I'd always been fond of good writing paper and felt I'd be happy working with it. I had no idea of what made some paper good and other paper bad, but I was sure I could learn."

## Started with sample book

BORROWING a sample book from a stationery dealer, she sold a large order of wedding announcements to a society woman acquaintance. The sale brought her a profit of \$100. That started her. The woman introduced her to a club man who asked her to design stationery for his yacht.

She had never heard that there was such a thing as yacht paper, but a trip to the public library saved the day. She learned all she could about nautical flags that go on such stationery and her design was accepted. The club man promptly recommended her to other people.

A keen sense of what constitutes tasteful stationery is perhaps Mrs.

Strong's best business asset. She refuses to supply anything she considers in poor taste. This stand has produced some troublesome moments for her over the past 11 years, particularly when a person of some social or business prominence desires stationery which Mrs. Strong feels would be out of character with the person.

Despite her busy daily program, Mrs. Strong makes it a point to spend as much time as she can at home with her husband and their two children. She enjoys having people in for dinner, much like any other woman, and takes modest pride in her ability to turn out tasty dishes for her friends.

The incident in her business life that pleases her most was the occasion on which she was able to patch up a serious family rift. A society woman came into her office to discuss the invitations to her daughter's wedding.

"I want only 50 invitations," she declared.

"Why so few?" Mrs. Strong asked. It developed that the socialite was opposed to her daughter's choice.

"It's the children's happiness that matters," Mrs. Strong argued.

Eventually, the woman gave in, and raised the order to 1,000 invitations.—DONALD ROBINSON

## The Men Behind the Candidates

(Continued from page 35)

of years ago. Close political associates are three Los Angeles lawyers: McIntyre Faries, Republican national committeeman; Edwin S. Shattuck, vice chairman of the Republican State Committee, who served in Washington with Selective Service during the war; and William A. Reichel, a San Francisco lawyer.

Ralph H. Cake, Oregon national committeeman and long active in Republican high councils, has been instrumental in advancing Warren as the Pacific Coast's candidate. Cake largely was responsible for the Republican vice-presidential nomination going to the late Senator McNary in 1940. He combines law and banking with politics and, as a practical proposition, Warren is a good bet. If Warren doesn't get the nomination himself, he and those associated with him will be in a good trading position at the convention.

**GOV. THOMAS E. DEWEY**, 45 years old, is looked upon as the most formidable contender along with Taft at this time.

With Dewey in the Albany government are six men, in their late 30's and early 40's, who are looked upon as constituting his brain trust. They are the survivors of those he has plucked at one time or another in the various stages of his political career. All are serious-minded young men.

Dewey's drive was also formerly looked upon as a "youth" movement, but he and his advisers have matured with years and service.

First, there is Paul E. Lockwood, 45, Dewey's secretary and alter ego, a six-foot, easy-going bachelor. The governor is seldom seen in public without him. It is he who turns on the personality, whispers the names of visitors to Dewey. Lockwood is almost as good at remembering names as Jim Farley. Dewey and Lockwood were young New York City lawyers when the former began attracting attention as a gangbuster back in 1935. When Dewey was elected district attorney in 1937, Lockwood moved in with him as assistant D.A. and has been with him ever since.

Dewey and Elliott Bell, New York state superintendent of banks, date the beginning of their friendship to a chance meeting at a lecture by Rexford Guy Tugwell in 1929. In their late 20's they were serious thinkers on national and international problems. Bell was to become assistant financial editor of the New York Times and Dewey was to attract attention to himself as a fearless prosecutor. In his unsuccessful campaign for governor in 1938, Dewey asked Bell to serve as his economic adviser.

After his unsuccessful effort to get the Republican presidential nomination in 1940, he recommended Bell to act in a similar capacity. In 1942 Bell again took leave of absence from the Times to serve Dewey in his successful gubernatorial campaign. Now a full-fledged adviser to candidates, he quit newspapering and became Dewey's state superintendent of banks.

Charles D. Breitell, only 38, is Dewey's legal adviser. When he was graduated from the University of Michigan he had some difficulty talking Dewey into giving him a job on his prosecutor's staff. But he finally landed and has been a Dewey protégé ever since.

Similarly, John E. Burton, 39, and a former research associate of the Institute for Economic Research and director of research for the New York State Mortgage Commission, saw Dewey as a comer in politics and made himself useful to him. When Dewey became governor he made Burton director of the state budget.

Harold Keller, 40, is a quiet-talking, pipe-smoking former newspaperman who covered City Hall in Dewey's New York racketbusting days. Dewey got him when he offered him a job doing public relations for the D. A.'s office, a job which permitted Keller to help Dewey in his political campaigns until the prosecutor became governor in 1942. Then Keller was made state publicity director.

James C. Hagerty, New York Times reporter, was covering the state capitol at Albany when Dewey began looking to the White House. He employed Hagerty as his Steve Early or Charlie Ross.

Keller and Bell do most of the work that goes into Dewey's speeches.

Hagerty, however, likely would serve as press secretary were Dewey to move into the White House. Bell might become Secretary of the Treasury; and the others, regardless of positions they might occupy, would constitute the inner circle. Politicians, congressmen and others would move in with recommendations on this and that,

but this small group would have a tremendous influence, such for example as Harry Hopkins and Tommy Corcoran had with Roosevelt.

Outside this working group is John Foster Dulles, Dewey's adviser on world affairs; older than Dewey, and older than the rest. Considered an expert in the international field, his reputation as Dewey's spokesman has given this member of a New York law firm a semiofficial status in recent years. Dulles frequently is mentioned as possible Secretary of State in the event of Dewey's election.

Looked upon as fund-raisers are George H. Sibley, a vice president of E. R. Squibb and Sons, and Roger W. Straus, president of American Smelting and Refining Company. Sibley, now in his mid-forties, became active in "Young Republican" circles as a hobby in the late '30's and picked



Dewey as a fellow young man likely to go places. Straus is a man of varied interests and activities.

SEN. JOHN W. BRICKER of Ohio and his associates are engaging in no presidential activity, other than to support Taft under their gentlemen's agreement that this is Taft's time. But they are alert to the possibility of a convention deadlock and the prize that might come their way.

The Bricker crowd, long inseparable in business, politics and friendship, include John Galbreath, wealthy Columbus, Ohio, real estate operator and sportsman; Don Ebright, Ohio state treasurer; Ralph E. Marburger, former vice president of Ohio Bell Telephone Company; William S. Evatt, former state controller, and Ralph E. Barton, secretary to Bricker when he was governor. These three set up a law firm with Bricker when he retired as governor.

Former Gov. Julius P. Heil of Wisconsin, wealthy manufacturer, formed an admiration for Bricker when they met at governors' conferences. He has helped him in his past political ambitions, including his campaign for the Republican presidential nomination in 1944. Another influential admirer is Joseph N. Pew, Jr., chairman of the board of Sun Oil, and high in Republican party councils.

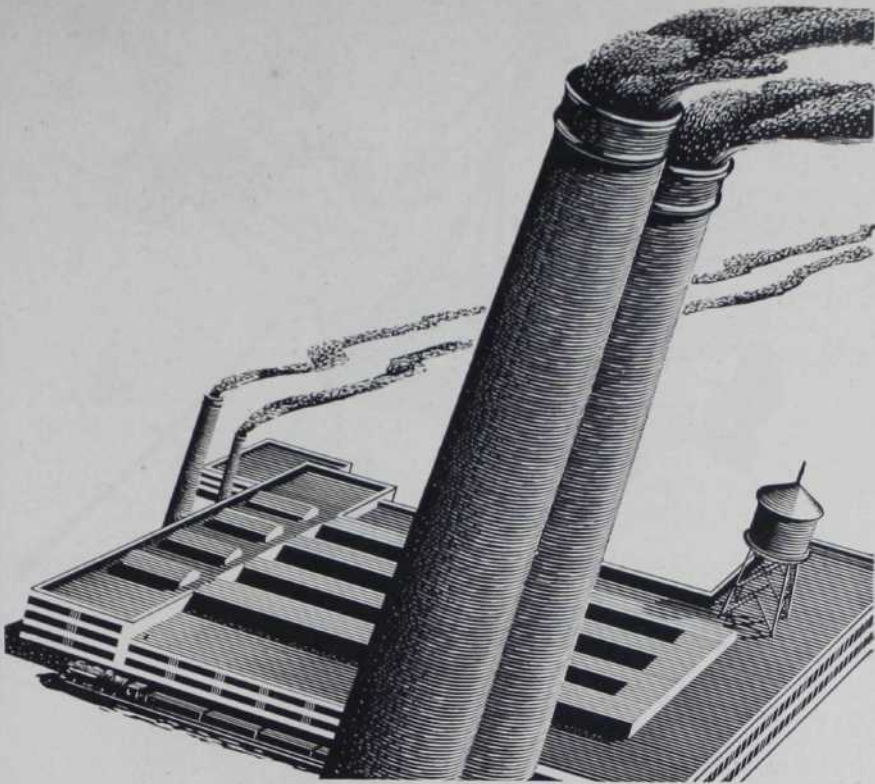
SEN. LEVERETT SALTONSTALL'S success reflects the revulsion of Massachusetts' old and well-bred stock to political bossism.

Of a long-established New England family, Saltonstall has sufficient money to finance such relatively modest political ventures as the governorship of his state, and as senator. In appearance and action he is the politician's dream of Yankee virtue and tradition.

Most of his close political associates and advisers are of his own social stratum and wealthy along with him in family tradition and worldly goods. One of them, Henry Minot, member of a Boston financial family, serves as Saltonstall's administrative assistant in Washington. Rather than play golf or polo, he likes moving about official Washington, which his association with Saltonstall permits him to do.

Another close friend, personally and politically, is monosyllabic Sinclair Weeks, who owns extensive Massachusetts manufacturing interests, and long has been active in the Republican National Committee. He was formerly treasurer.

The man of the camp who knows the political ins and outs best, how-



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ever, is Carroll L. Miens, a bachelor and former Boston chocolate manufacturer. Of more modest means, he served as Saltonstall's secretary when the latter was governor, and is now chairman of the Boston Transit Authority.

Should Saltonstall emerge from his present dark-horse stage, the veteran Massachusetts political adviser, Tom White, who was associated with Coolidge, would undoubtedly be called into service. Youngish Sen. Henry Cabot Lodge, Jr., employed White as his political guide for several years.

SPEAKER JOE MARTIN, JR., has been a potential dark horse at the last two Republican conventions and will be one at the next. He has been serving in Washington for so long that he has no back-home advisers. Former Massachusetts Gov. Channing H. Cox, now vice president of the First National Bank of Boston, and Clarence Barnes, Massachusetts attorney general, would come closest to fitting into this category. Like freshmen teaming up at college, Martin and Cox gravitated toward each other when they were fledglings in the Massachusetts legislature. Martin and Barnes were rival semipro baseball pitchers but friends.

Martin's close political associates and friends are those who serve with him in the House, men like Republican leader Charles A. Halleck of Indiana; Leo E. Allen of Illinois, chairman of the House Rules Committee; Leslie C. Arends, also of Illinois, party whip. They are the ones he would rely on if the wind were to blow his way. Another who would most likely get behind him is A. P. Giannini, the California banker.

Although Sen. Arthur Vandenberg of Michigan has given no encouragement to those who might advance him as a candidate, several men of wealth have sought to push him in the past, notably Dan Guggenheim of the copper family, who was his main financial support when he sought the nomination in 1940. Like Joe Martin, he has been too long a figure in the Washington scene to have any back-home advisers or workers.

Col. Robert R. McCormick, publisher of the Chicago *Tribune*, was back of Gen. Douglas MacArthur whose name, paradoxically enough, appeals to the former so-called isolationist groups. Actively engaged in promoting him now is one of his fellow socialites of Milwaukee, Lansing Hoyt. Tall and debonair, Hoyt married into the Cudahy family and has himself made money.

## Earthworms Go to Work

**I**N SEVERAL hundred backyards throughout the United States the growing of common earthworms has become a million-dollar mail-order business. Although most of the worms go for fish bait and for breeding-stock to other would-be growers, the worms also are bought by farmers and gardeners who expect them to increase the fertility of their land and build up top soil.

Inspired by visions of six-pound carrots and four-pound parsnips produced by the aerating, irrigating and fertilizing action of the worms, farmers are paying an average of \$10 per 500 worms, although soil scientists insist that, if soil is rich enough to sustain worms, the worms will be there in capacity numbers, in time—and that in sterile soil they will die.

Without disputing that point, 63-year-old Thomas J. Barrett of Roscoe, Calif., last year grossed \$18,000 in the sale of worms and books on how to raise and use them. Barrett has studied the worm for 11 years, and claims nothing for his wrigglers other than their ability to hasten the conversion of animal and vegetable matter into rich top soil.

In 1936, Barrett, a Tennessean, came to the San Fernando Valley in California with \$9 in his pocket. He bought a half acre of desert hillside, on which payments amounted to \$5 a month, and began to build himself a home. While excavating, he struck limestone three feet down.

Barrett remembered seeing French peasants after World War I use surface castings of earthworms for fertilizer. He wrote to the Department of Agriculture in Washington for information on worms in the hope of revitalizing his land. In reply, he says, he received detailed instructions on how to kill them.

Undismayed by his failure to acquire the sought-after information, he set to work studying worms at firsthand.

People noticed his unusual activity and began asking questions. To answer them, he produced a small brochure and gave it away. This soon developed into an 88-page book for which he charged \$1 a copy. To date, more than 20,000 copies have been sold.

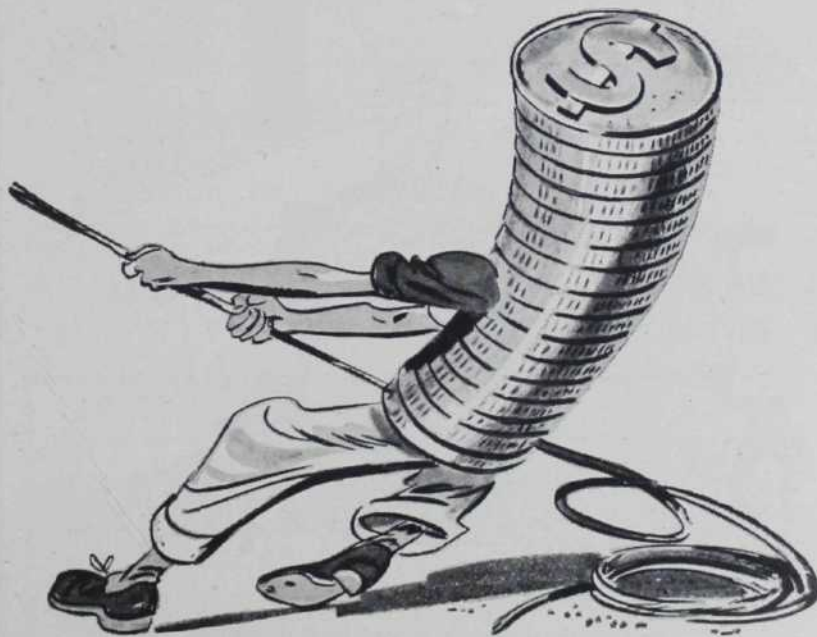
—GRADY JOHNSON

Tax rates are

# DOWN

*in New York State*

Business taxes—corporate and unincorporated—are down 25%. Personal income tax cuts totaled \$386,000,000 in the past five years. No state sales tax, no excess profits tax. And in the past three years unemployment insurance tax credits to business firms reached \$300,000,000. It *pays* to locate in New York State.



## Is Big Business a Threat to You?

(Continued from page 43)

cent on their net worth in the second quarter of last year. The next group—with assets of \$250,000 to \$1,000,000—also earned 18 per cent. The small-large companies—with assets of \$1,000,000 to \$5,000,000—did best, with earnings of 20 per cent. These are the bumptious ones that thrived so on war orders and are now highly active industrial planets in the postwar business universe. The middle-large companies—with assets of \$5,000,000 to \$100,000,000—netted 17 per cent. And the giant companies, with assets exceeding \$100,000,000, earned 12 per cent.

Thus the immediate postwar period sharpened the outlines of a classical observation: In depressions, big companies, because of their financial staying power, get bigger—often by taking over smaller ones at distress prices; but in periods of good business, smaller companies arise to challenge the big ones—and they, too, sometimes achieve their purpose by merger, but at going-concern values. Of course, when business is expanding new ventures are encouraged.

The full impact of World War II on the structure of American industry won't be understood for many years. We can now observe that the war stimulated mergers; but it also stimulated competition and rivalry. It created a great de-

mand for goods—consumer and capital goods, soft goods and hard goods. In turn, pent-up demand gave the small business man a chance and the Keynesian theory of underconsumption a jolt.

Many small companies, fed by prime and subcontracts, built up large organizations. When the war ceased, they were unwilling to let those organizations fall apart. They couldn't make munitions. All right, they'd make something else. And they have. Kaiser is the symbolic example. In the automatic washing machine industry, where for so long Bendix Home Appliances ruled unchallenged, competitors have arisen, phoenix-like from the ashes of war. F. L. Jacobs Co. of Detroit, manufacturer of Launderall, is one. Others which have decided to contest the market are General Electric, General Motors, and Westinghouse.

The war fractured the dominance of the Aluminum Co. of America. Now Reynolds Metals and Permanente Metals (Kaiser) are in the field. Publicker, a producer of industrial alcohol, has become a power in the distilling industry. Now, instead of the Big Four—National Distillers, Schenley, Hiram Walker, and Seagram—it's the Big Five.

It's hard to name an industry which hasn't had its face changed. In steel, big companies like U. S.,

Bethlehem and Republic bought up war plants. But so did the smaller companies. The Big Three—U. S., Bethlehem and Republic—wound up the war with a slightly smaller proportion of total capacity than they began with—57½ per cent versus 58. Other large companies entered the field. Kaiser-Frazer, to obtain sheets for auto production, bought Portsmouth Steel and Struthers Iron & Steel, the last a pig-iron producer. Studebaker purchased Empire Steel. General Electric, Borg-Warner and International Detrola each acquired a steel company.

The effect has been to make these manufacturers less dependent on large steel companies. At the same time, however, it has created a major dislocation for the smaller manufacturers which were supplied by the bought-up companies. Foundries particularly have been hurt. Incidentally, the great increase in aluminum capacity is bound to intensify competition between steel and aluminum.

### Competition in automobiles

IN THE automobile industry, ten other companies besides Tucker are trying for a foothold—with Kaiser the encouraging example. Some of these are manufacturers of scooter-type cars. Who can say now whether Americans may not turn to a small vehicle as an escape from 1, parking and traffic problems, or 2, high gasoline prices, or 3, the high initial outlay on a new vehicle? Or perhaps people may go for an undersized job as a second car.

Finally, the war and its immediate aftermath suggest that we have much to learn about competition in modern society. We have in the U. S. a thoroughly provincial notion about the constancy of big business versus the inconstancy of small business. We look upon the big enterprise as a monolithic institution—unchanging and unassailable. Yet is it not the name that persists, rather than policies and men? When a big company begins slipping, the management ultimately changes. Presidents and vice presidents get thrown out. New methods of doing business are introduced. Sometimes only the name—the good will—remains.

Is not that what happens to the small business? The manager—the owner—gets thrown out—into bankruptcy court. But the building in which he had his store or factory remains. His stock often goes to his creditors. Somebody else may take over, try to make it go, and perhaps ultimately build it up,



"The trouble with you is you lack ambition"

or even join a large company as an officer. The small business is a means of entry—and a training place for managerial talent.

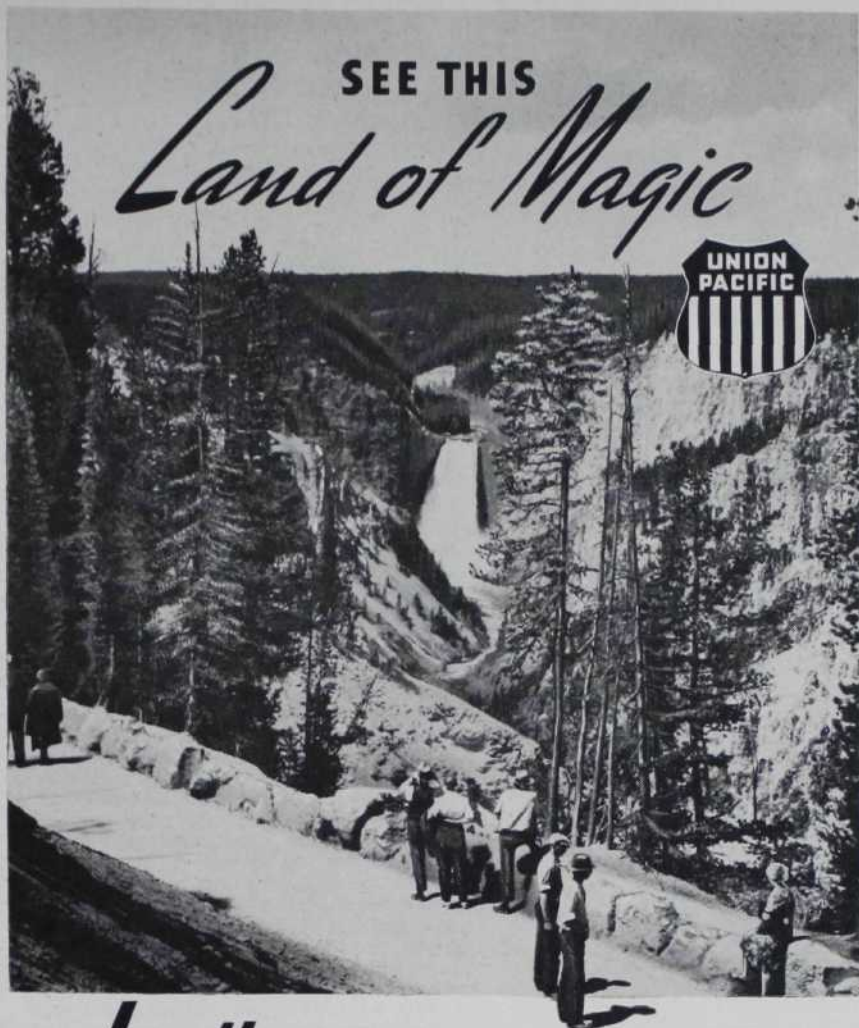
Nor should we presume that the existence of a Big Two, Three, Four or Five signifies an absence of competition. Clearly that is not so in automobiles—where Ford found it tough to turn a profit in prewar years. Nor is it so in cigarettes, notwithstanding a uniform price policy and a Supreme Court decision affirming an anti-trust fine against Liggett & Myers, R. J. Reynolds and American Tobacco. Right now, American is plugging Pall Mall cigarettes. In doing so, it's cutting into the Chesterfield and Camel market, and, in the process, its own market for Lucky Strikes. Competition is more than just differences in price. A price differential is usually good evidence of competition, but not always. And similar pricing does not signify that companies are collusive and noncompetitive.

### Competition has changed

THIS much we can say: The war set the stage for competitive claim-staking among companies and industries. Old supremacies like Bendix in washing machines and Alcoa in aluminum are being contested. But we don't know where, ultimately, it will all end. We don't know whether old trends toward concentration will be re-established or new ones toward competition developed. We can't yet comprehend the effect of large labor unions—and industry-wide bargaining—on our industrial structure. A lot of careful dissection must still be done.

The Brookings Institution has just launched a study of competition and concentration under the direction of A. D. H. Kaplan. The 20th Century Fund has been making studies of the nature of monopoly control of industry. Now President Truman has asked Congress for funds for the Federal Trade Commission to examine the nature of price policies in major industries—not with the purpose of prosecuting, but of finding out.

That's precisely the point of this article: We have many preconceptions, but insufficient knowledge, about the nature of industrial competition in postwar America, many of these preconceptions carried over from the merger era of the '10's and '20's and the depression period of the '30's. It's high time we substituted postwar facts for prewar prejudices.



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# Don't Order

MIDLAND, TEXAS, AUG. 5—(Special)—Members of Congress who came here today in a festive spirit, left tonight with spirits considerably dampened, but not by the rains that fell.

The day was expected to see man-made rain fall from the skies in quantity, aided and abetted by Department of Agriculture experts commissioned to produce rain with a \$10,000 appropriation pushed through Congress by Sen. Charles B. Farwell of Illinois, who sought to aid farmers whose lands are parched from lack of rain.

Balloons filled with a mixture of hydrogen and oxygen were sent aloft, permitted to explode. There was noise, but no water.

Dynamite-loaded bombs were sent up in kites. Again spectators' ears were pounded, but not by water.

Mortars next brought more noise.

This time, however, spectators felt a few drops of rain. Then more. Jubilation broke out. This Congress would be remembered forever as the Congress that moved the heavens to yield rain.

But, weather reports revealed that rain actually was falling over a wide area, had been for some hours before reaching Midland.

These reports dampened the celebration. Consensus was that Congress was through with rain-making. This happened, not in 1947, but back in 1891.

**M**AN NEVER starts anything that he doesn't finish. Now he is monkeying with the weather.

He can sift dry ice into selected clouds and make rain or cut swathes of clear air through fog.

But that isn't enough. He may have the Bull of the Weather by the tail but the Bull is still boss. A rainstorm decanted in the wrong place would certainly be a tort: "A wrongful act for which a civil action will lie." Relying on the promise of dry weather in the *Old Farmer's Almanac*, the First Church orders a basket picnic. For the same day, the Rotary Club dips into its civil aid fund to buy a cloudful of water for the distressed farmers. If the Rotarian water fell on the First Church's baskets, the resultant litigation might jam the Court House for months.

It is evident that the next step should be to work out some way of controlling the movement of clouds, so scientists can deliver the

The experts think there's a faucet on every cloud, but more than rain will flow for some



# Rain à la Carte

By HERBERT COREY

rain where it is needed. There is no prospect at present that anything of the kind can be done.

But if it is not done, then this is the first job in history that Man started and couldn't finish.

And, if he ever does get his hands on the taps and faucets, no one knows what will happen next.

Considering all things, if Man had it all to do over again he might hang the inventor and burn the wheel.

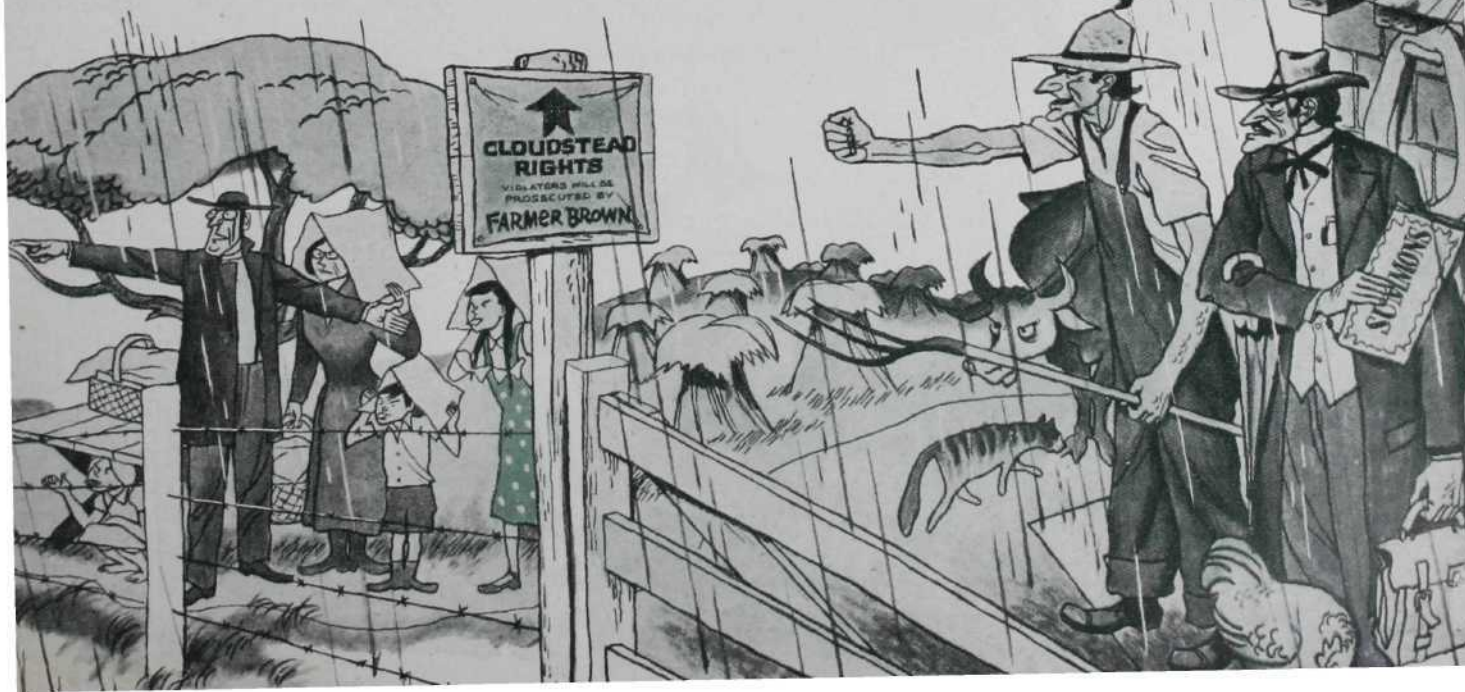
Already suits have been filed and others threatened. A man on one side of a western mountain is alleged to have dry-iced a cloud on his side. The rain washed out the irrigation ditches of his neighbor on the other side of the hill. One did not get what he wanted and the other got what he didn't want. Result: trouble. Another wants to claim "cloudstead rights" on the heavens within a 40 mile radius. Trespassers would be prosecuted.

The states of Nevada and Utah got into the act recently when residents of Reno and Salt Lake City become involved in a friendly wrangle over who holds first rights to the clouds that blow over a state.

It seems that Reno experienced a dearth of snow for its ski carnival and dispatched a couple of planes aloft with some dry ice. The ice was chucked out of the planes in an endeavor to create some hand-made snow. Reports say that they were only partially successful—at least, not enough to provide good skiing.

Salt Lake residents, hearing of the plane stunt, sent word that they objected to Reno's taking snow from clouds destined, so they averred, for Utah. The friendly Nevadans replied with a nice snowball suitably packed in dry ice to assure safe aerial shipment.

And there matters stand until legal forces on both sides can draft



new ammunition for the friendly row.

A bill introduced in the House proposes an appropriation to cover the costs of the initial experimenting.

The curtain has risen on the newest drama of science.

### Old efforts at rainmaking

MAN has been trying to order rain as though it were something in a grocery store for as far back as history runs. When he was not trying to bribe the gods he bullied them. If a mess of nice young women killed on the steps of the State Temple did not bring results, he threatened to burn down the place and put the deities out of bounds. Later on, congregational singing and prayers by the presiding elder were substituted. The times were getting softer. Now and then these communal efforts got results, too, and rain fell all over the district.

The Navajo Indians did about as well with their rain dances. Even a little better, if the truth were known, thus widening the apparent breach between revealed religion and pure science. The Navajo medicine men—if the scientists are correct—turned foxy after some aeons of guesswork and did not begin to bite the tails of their snakes, or whatever else they did in their rites, until a streak of rainy weather seemed definitely in sight. The

less longheaded palefaces depended on faith. Faith and coincidence. If they prayed and it rained, thanks were offered up. If it did not rain the members were reminded that they were overdue for a good chastening anyhow.

That matter of coincidence is the unpredictable bug under the scientific chip right now.

There is no doubt that, under certain conditions, water can be dry-iced out of selected clouds. Water will do the same trick. It can be proved that certain rains can be credited to these operations. It also appears that other rains may happen along at the same time for which science cannot prove paternity. Just coincidence. There seems to be no sure way of proving that *this* rain is as legitimate as a Bourbon king—the reader may recall that the law required that the pangs of parturition be certified by a squad of noblemen—while *that* rain was as far on the wrong side of the blanket as Adolf Hitler.

Perhaps the scientists get a shade the better of it. If they lay claim to a rain—well, after all, what about it? Who's going to prove what?

It is as certain as anything should be that rain can be "made." The General Electric Company is backing a series of experiments and inquiries into the making of rain. GE is as far removed from folly as any corporate structure can be. It spends money on occa-



sion like water over Niagara, but never without a definite purpose in sight. This may be the advancement of scientific knowledge or a service to the whole people, or a patriotic effort to make us safe from aggressors. GE is also so openly American that it believes it is entitled to fair return on its activities.

So GE thinks that rain-making is worth looking into. The Army Signal Corps, the Department of Commerce, the Department of Agriculture, the Weather Bureau and the Forest Service are cooperating. A more precise statement of the facts would be that they are all watching with interest and will put at the service of GE's scientists anything they may have in stock. Consider, for example, the Forest Service.

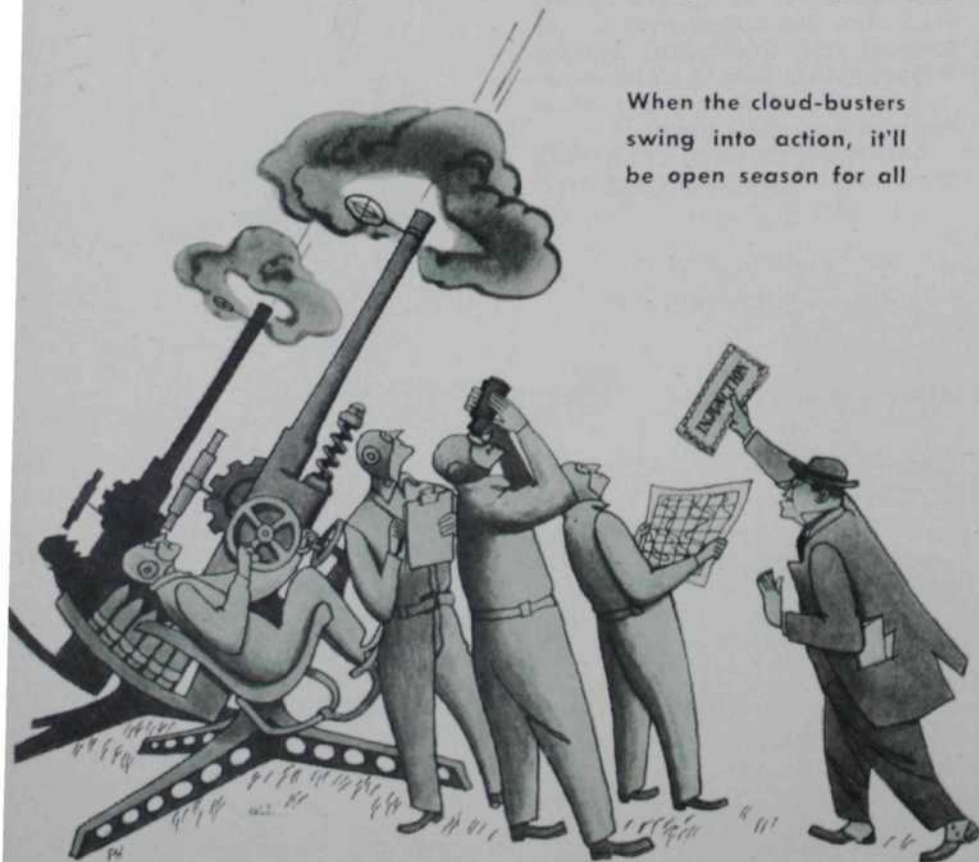
One of its chief responsibilities is to extinguish forest fires. If and when possible. This job is one of the most difficult and dangerous accepted by men.

### Help for firefighters

THE Service has 250 "smoke-jumpers" on call. When a forest fire is reported from anywhere in the United States a sufficient number of smoke-jumpers is loaded into one or more of the 16 airplanes owned by the Service and hopped off to the scene. They wear asbestos suits, fire-resistant boots and masks, carry their own rations and water and firefighting tools and, if the wind takes a wrong slant, they may be parachuted right into the flames instead of on the strategic edges. If the Service could spill a cloudburst into a burning forest the advantages are obvious.

If the Signal Corps had been able to cut the fog with its devices, the Battle of the Bulge might have been headed off. The Germans were huddling under fog cover. New Yorkers could be saved the mournful hooting of fog-bound vessels trying to work through Ambrose Channel in constant fear that other likewise blinded ships may crash into them. The 250 German model supersubmarines presumably owned by that other nation that mustn't be named could not sneak past the Seal

When the cloud-busters swing into action, it'll be open season for all



Rocks. The Weather Bureau would have its burden of prophecy lightened if, from one coast to the other, active, commercially minded observers were watching for clouds that could be milked or reporting on clouds that had given up their content of water.

Attention is drawn to the use of the words "commercially minded." That means the observers would be on the job. They would not, as are some men who should be interested in the weather, be content to take the words of the almanacs. Several hundred almanacs in the country, by the way, are making a living. The Departments of Agriculture and Commerce would be practically hopping up and down if a way could be devised for pulling the cork of a nice rainstorm over the crops that need water or for spilling unwanted water at a safe distance from crops just ready for the sickle.

Nothing can be done about that—yet. Perhaps no one will ever be able to find a way to shove water-fat clouds over Death Valley. No one has tackled that problem. But if the scientists—and every man in science who knows what an umbrella is used for—is directly or indirectly interested—should find a way to stage-manage the clouds so that water-fat clouds could be "triggered-off" when and where the water is needed, or perhaps spilled before they could reach an overrained territory—

Well, then, think of the trouble that would cause. OH, as Tin Pan Alley would sing it, BABY.

### Resorts might be ruined

THE editor of the *Evening Independent*, in St. Petersburg, Fla., planned to give his subscribers a thrill. Snow had never fallen in St. Petersburg and so he hired a pilot and bought 100 pounds of dry ice and prepared to give the town a white Christmas. No snow fell but he is willing to try again. If that sort of thing can be done with impunity, the holiday habits of the whole country might be upset. The California weather is the pride of all Californians even if it does get its signals mixed now and then. If Florida could contrive some way to cross it up, the latter years of half Iowa might be mildewed. Elderly husbands who are opposed to the silhouettes of their young wives in ski pants could—might—the outrage is at least conceivable—reduce Sun Valley to the status of a morass at an extraordinarily reasonable cost. A little fooling with the floodgates might cover the Nation's Capital with a layer of

# Somebody has to go short in Wheat!

Is the Grain speculator America's bad boy? How does he affect the prices you pay for bread, flour, cereals? What part has he in moving wheat to the World's Markets? See "Business of the Pit" in the April issue of NATION'S BUSINESS.

**Are You Ignorant of Politics?** James A. Farley, former Democratic National Chairman, thinks business brains and ability are needed on the Hill. But the business man needs to understand politics and politicians before making the trip. See "Mistakes Business Men Make in Politics."

**Proletariat Paradise**—Privates the equal of Generals; food, clothing, housing according to one's needs; education for everyone. All the plans of a sincere revolutionist until human nature kicked them around. See "What Became of Lenin's Dream?"

**Inflation or Deflation**—Yesterday Congressional committees sought the inflationary scoundrels. Then commodity prices broke and the deflationists became the villains. So it has been for many years. Even the Greeks didn't have a cure for it. See "Money—The All Time Political Problem."

**A New Third Party?** Populist, National Labor Reform, Greenback and a host of other parties have tried in the past without success. Now the Liberals are massing another movement. Does anything stand in their way? See "What Americans Think of Third Parties."

OTHER ARTICLES in the April issue include—"Another Look at that New Look," "Army Takes Over the Government." Also your old favorites—Trends of Nation's Business, Management's Washington Letter, Odd Lots.

## NATION'S BUSINESS

WASHINGTON, D. C.

sleet to the great disadvantage of companies dealing in casualty insurance. There are no reasonable limits to the imagination when one is committed to a belief in magic.

The Missouri Valley development might prove to be a needless extravagance if the weathermen could patrol the up-river mountains and shoot down the rain-bearing clouds before they began to wash the higher slopes. Members of Congress are getting letters from their constituents demanding not only that no legislation be enacted which might interfere with the freedom of the rainmakers to make rain, but also to see to it that rain shall fall only on the preferred list. In half the state capitals young lawyers are getting ready to cook up legislation which shall adjust rainmaking privileges to the conditions peculiar to the particular state.

### Diverting disasters?

PERHAPS not all of these hopes and fears are justified. But no one positively knows. One school holds that tornadoes, hurricanes and other similar pests can be torpedoed or diverted when we have learned a little bit more about the new idea. The other school holds that nothing can be done about these troubles, although conceding that it would be nice if storm warnings along all the coasts could be reset at Fair and Warmer. The one thing that seems certain at this time is that no one can be certain how far and fast the new development of science will spread.

One would not class Comdr. F. W. Reichelderfer of the U. S. Weather Bureau as too much of an optimist. Maybe no one who spends his life looking at weather can be.

He is—well—interested. That's as far as it is safe to go.

*Science News Letter* reports on Project Cirrus, which is fathered by the GE company.

"Possibilities suggested by Dr. Irving Langmuir include:

"Less severe thunderstorms;

"No hail;

"Man-induced snow and rainfall to fill reservoirs;

"Prevention of ice storms, storms of freezing rain and icing conditions in clouds;

"Fewer clouds in the northern U. S. during the winter. Attacking dangerous ice-forming clouds with dry ice, perhaps in the form of bullets shot ahead of the plane, will clear a safe path through the clouds. But—

"Attempts to change the cloud formations over an area will have

to wait for research development and experiments."

At least the door is not closed. An "attempt to change cloud formations over an area" might mean anything. No one has come up with any plan to move wet clouds to dry spots. It may never be possible. It does seem probable that the study of meteorology will be calling for a new book before long.

### Checking up on weather

THE Weather Bureau gets all sorts of reports now from all kinds of people, and sends up radiosondes, which are little balloons equipped with radio devices, and every time a cold front or a wet front appears anywhere in our land area the threatened regions are notified to get under cover. Batteries of field guns shooting dry ice shells into bullying clouds might possibly mix up the weather pattern to order. This is a mere non-scientific surmise. Someone will certainly begin to experiment along some such line before too long.

Then trouble will really start.

An unexpected rainstorm hit what used to be the Salton Sea a year or so ago and lettuce and melons and tomatoes were messed up by it. No one charged that the weathermakers had anything to do with it. The responsibility remained just where it had always been. If a mischievous storm were to squat down over southern California today, the rainmakers might be charged. If they had been operating their incantations, they might have difficulty establishing their innocence. If they set about triggering-off a shower in New Mexico the sufferers would certainly ask them to prove that the shower did not get away from them. Under proper conditions a second-hand airplane and a bucket full of dry ice might start a deluge. Lots of high school boys could finance such a venture. Even water alone will do the trick if the cloud to be bombarded is of the proper temperature.

"And other things" as the *Science News Letter* remarks.

Among the other things are sunspots.

No one knows what effect, if any, spots on the sun may have on human activities. Some observers connect them up with stock market operations, crops, revolts, and social mass movements. Some of these theorists think the American generosity to a stricken Europe is governed by an eruption on the sun. If the sunspots go into reverse we might lay off giving money for free and demand bankable secur-

ity. Not many years ago a reporter in Washington argued that the movement of ocean currents controlled our weather. For ten years or so he made a good income by sending his predictions to corporations which wanted to know what would happen in the weather for a year ahead. Then his theory backfired and his clients lost money and he lost his pay. Yet many still believe that he had something, and that when the time comes to put all the factors together, the sidewise swing of the currents will be one of the factors.

But in the meantime GE has put an end to its outdoor experimenting. Before they can be safely continued some form of legal protection must be embodied in federal legislation. A plane of scientists might shoot dry ice into a fat cloud, aiming to produce a light and gentle rain. But that presumably amenable cloud might rocket off on its own and trigger-off another cloud and a cloudburst might result. Perhaps the two clouds might have collided in any case, with a similar result, even if no rainmakers had been on the job. But no one could prove it.

Not long ago a hurricane gathered force on the southern Atlantic. Someone accused the Army of dry-icing the storm and thereby turning it out of its course. The Army is sensitive about this charge, because the storm turned toward Georgia and made a lot of trouble for a part of the state. Maybe the Army didn't do it. Maybe, if the Army did do it, the effort was a dud and the storm did what it had set out to do originally. The Army discourages loose talk about the affair.

### National Weather Authority?

IT IS apparent that until some form of legal shelter can be provided, the outdoor experiments will stay indoors. If that diversion could have been charged against any corporation it would have been shot at by everyone who could get in telephone range of a good lawyer. Dr. C. Guy Scales, GE's director of research, thinks there will be difficulty in carrying out large-scale outdoor experimenting until the legal problems are clarified. He suggests a central organization might be set up on the order of the Atomic Energy Commission—or some other way out might be discovered—in the hope that a safe way might be found to give dry lands some rain relief.

But, Man has not yet started anything he did not finish.

## Farewell, Little Red Schoolhouse

(Continued from page 38)

henceforth a "custodian." Sound-insulated classrooms will differ in size and have movable partitions. Their walls will be tinted in restful pastel shades. Corridors will be jogged, and thus more diplomatic than a shouting teacher to stop foottraces. Such lighter touches have a purpose. Youngsters will enjoy their surroundings, learn more and be proud of their school.

A typical floor plan for a 12 teacher, six grade school is described by Ray L. Hamon, former director of the Interstate School Building Service and now chief of the School Housing Section of the Office of Education. It would have 12 classrooms, each with blackboards, built-in lockers, closets, work counter, bookcases, sink and movable side-arm furniture, including the teacher's. Gone are the serried rows where the front of each desk was the seat for a pupil ahead.

Other rooms would be:

1. Assembly for 300 or 400 with a good stage.
2. Recreation or playroom with dressing facilities, lockers and showers. It may be combined with the assembly room and, in a high school, would be a gymnasium.
3. Lunchroom and cafeteria.
4. Library and reading room.
5. Health and dental clinic.
6. Toilets off corridors and, for first and second grades, off their classrooms.
7. Small office suite for principal and secretary, including a reception room for parents.
8. Workshop for pupils and supply room for custodian.
9. Storage for Cubs, Scouts and Parent-Teachers.
10. Music room which may be combined with the lunchroom.

This latest-style school will be piped and wired for laboratories, motion pictures, radio and, if bang-up-to-date, television. Each room or possibly only the assembly and larger classrooms will have its hook-up. Audio-visual teaching, crowding out old verbal methods, will make lessons more interesting and easier to remember—everything from the Three R's to calculus, geography, foreign languages and current history.

"We don't know what the grape-shot sounded like at the battle of Gettysburg but children for years to come will see and hear the battle of Iwo Jima," Floyd E. Brooker of the Office of Education explains.

In the audio-visual class, first graders see a cat on the screen and beside it, the word "cat." It purrs and yowls. They've seen cats on the back fence, and now they know a word which means cat. They've also seen father's hat and mother's new one which started an argument, and lots of cars on the road and know what they are called. However, unless they see the audio-visual pictures, they will not know the meaning of "hat" or "car" in print. The visual shortcut to reading by-passes the alphabet and the confusing pronunciations of our language.

In other grades, children are trained to read rapidly. So much must be done and so much must be known in today's world that a person must read more and faster. Printed phrases are thrown on a screen until pupils read them at a glance. Wordage is increased until they can read by lines of printed matter instead of by single words.

Thousands of sound pictures and filmstrips are available for every grade from kindergarten to college and for all professions and trades. They cover history, geography, nature, farming, home economics, nursing, science, mechanics, professions and even mistakes in audio-visual teaching. In ten minutes a pupil can see the life and adventures of a cornstalk from planting to silo and, by a similar reversal of speed, the career of a bullet from rifle to pierced armor-plate.

The silent filmstrip brings details which were vivid but fleeting in the sound picture. The teacher ac-

companies it with explanations. An entire class sees how the pistons and gears of an automobile engine work, instead of each embryo mechanic taking turns on a real one. A film will instruct him how to become a shop boss. Girls have lessons on first aid, correct posture and baby sitting. A filmstrip accompanies almost every sound picture.

Audio-visual teaching encourages habits of observation and description. The youngster will remember more than a picture of Washington standing up in a row-boat, something he has been warned against. A Hollywood version of Valley Forge may not improve on that in McGuffey's reader but it will be livelier.

The new schools have intercommunication systems. A principal can make an announcement from his office to all classrooms. Some cities even have an assigned radio wave band so the superintendent or visiting lecturers can talk to all the schools at once. But this is not so good when interested pupils ask questions. If the classroom teacher knows the answers, she could have delivered the lecture herself.

### Diversified instruction

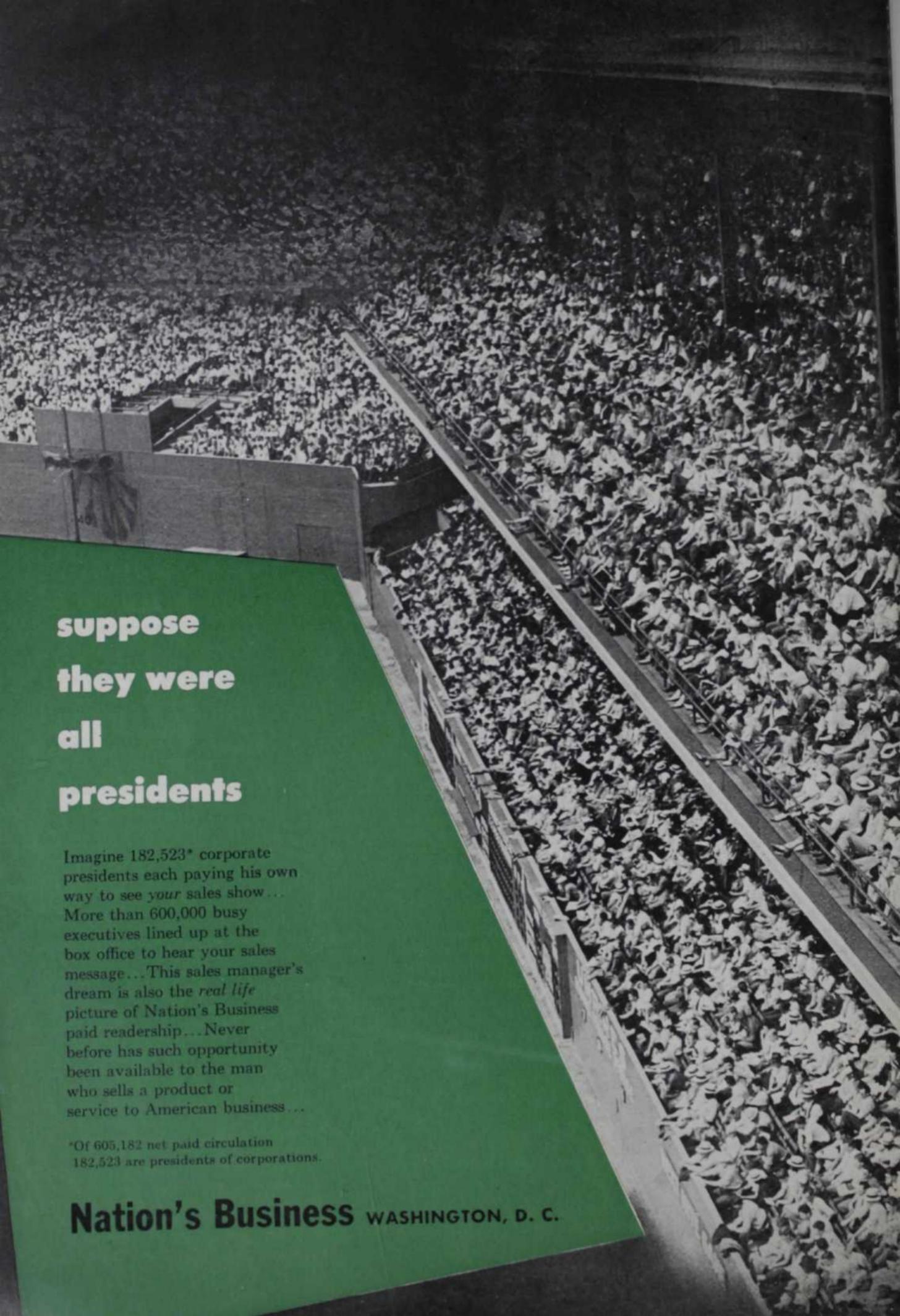
EDUCATORS realize that such assembly-line teaching can turn out citizens as uniform as a brand of automobiles or regimented in Nazi or Soviet patterns. Since this is not wanted, instruction is diversified and individualized.

The general purposes of primary and elementary grade instruction in the School of Tomorrow are much the same as in the schools of yesterday, but the methods of teaching are vastly different. Textbooks become a secondary source of learning. High marks no longer depend on a pupil's ability to remember what suits a teacher's prejudices or fancies. "Textbooks are to learn from, not to teach from." Educators say the idea is that schoolbooks should be written for children and not for teachers.

While the youngsters soak up the facts of life, their teachers and the specialists will be studying them. As they step into elementary grades, more and more specialized studies are added, on through high school and until they emerge from a vocational school or college to fight their own way in the world.

Dietitians and health clinics have ceased to be a school novelty. The School of Tomorrow will have a "guidance counselor" to consult with the pupils—not boss them—on their joys, problems and ambi-





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**Nation's Business** WASHINGTON, D. C.

tions. A Pittsburgh school discovered that its girls' concerns—in diminishing importance—were: personal appearance, dates with boys, a husband, sports, a job and education. Poll of the boys changed the ratings but education did not get the "Oscar" from either sex.

A placement officer may be on the staff to find jobs for young hopefuls, a psychologist to tabulate the brain processes of growing minds and a psychiatrist to tell why the mental wheels do, or do not, click and what should be done about it.

More serious and, to many, more practical than school adjustment of mental attitudes will be its diversified training to prepare the individual for adult life.

### Special study groups

IF A BOY is ambitious for a government career, for instance, an attempt will be made to form a small group of others who are heading in the same direction. Or he may receive individual instruction. Other boys will be interested in other professions, or in radio, plastics or automobiles. Girls will have different preferences. All will receive the same general instruction, but the amount of specialized instruction will increase with each advance in grades.

Only the larger schools are capable of such ambitious specialization and several cities have already started to offer these special courses. Of the 26,000 high schools in the United States, less than half have more than 100 pupils. Although the instruction in these smaller institutions is presumably up to standard, they do not have the capacity or the staff for such work.

"It means adjusting the school to life, tailoring it to fit the individual," Ellsworth Tompkins of the Office of Education explains. "Students learn what will be valuable in life, must start early and plug hard for their specialty."

As explained by the scientific educators, pupils today are guided rather than taught. Instead of being told what he must learn, the child will follow the rugged paths of learning on his own sturdy legs with only a helping hand from a teacher. Thus while he learns, he will acquire those habits of independent thinking, initiative, teamwork and leadership so necessary for democracy. While not as visible to the eye as a new building, this is the important characteristic of the School of Tomorrow.

"Educational opportunity is the

heritage of every American youth," says John W. Studebaker, U. S. Commissioner of Education. "That opportunity means practicing and studying the ways of democracy in school to fit himself for a part in the life of nation and community."

To make the idea real, pupils will have a share in the none too placid partnership of teachers and parents to discuss school administration. The school atmosphere will be cooperative with a students' council or student government. Pupils will be encouraged to debate school situations and to present their views. They will manage their concerts, dances and athletic events; police the corridors and lunchrooms; be responsible for deportment in classrooms and on playgrounds; arrange hikes for nature studies, and to see what makes the wheels go round in factories or public offices. They will learn to budget their school activities and even the lost art of shopping economically. More than all, they will be expected to inform themselves, and express opinions on current events.

In the background will be the gloved hand of the principal with the power of veto. Vetoes are not popular. Like older heads who feel their oats, the youngsters may overrate their power and picket a school to override the veto of a student demand. In a home, an emancipated youth may be more disturbing than helpful. In most cases the new responsibilities are appreciated. Chicago, which has spent \$272,000 in a single year to replace 61,000 broken windows in public schools, gives a concrete example. For three years, no glass has been shattered in Rogers School where a student council cooperates with faculty, janitor and parents.

Running off a blueprint of the Schools of Tomorrow is easy. Making them real over the entire country may be impossible. Everyone wants better schools but such high-grade education is expensive and costs are rising. Averaged over the country, elementary and high school pupils cost \$28 each in 1910, and \$117 in 1944.

Three fifths of school revenues come from the districts, one third is contributed by states and the balance from counties and federal aid to vocational schools. One district can spend at a rate of \$6,000 per classroom while thousands of others, sparsely settled and with small per capita income, cannot afford more than \$100. They have few children for their little red schoolhouse and a lone teacher

shepherds all ages and all subjects.

A low-income state has less than a wealthy state for the education of each child even though the former gives a larger share of its revenues to schools. In 1944, the per capita income in New York or Washington was about three times that in Mississippi. In the southern state, 1.64 per cent of its income went for education compared to 1.54 and 1.31 in the other two states. However, Mississippi had only \$42.25 for each youngster while New York and New Jersey spent \$185, the highest of any state. While the cost of education increases, its share of public revenues showed a surprising decrease in every state from 1940 to 1944, a curtailment for the country from 2.55 per cent in 1940 to 1.53 per cent in 1944.

### Expenses will be high

HOW the expense of improved education is to be met is a staggering problem. Less than half the country's teachers are paid \$2,000 a year, one eighth of them less than \$1,200, and the shortage is increasing.

Consolidated schools and large administrative districts are a favored solution for both economy and better education. The consolidated school is not new. It has limitations of geography, climate and sentiment even in a single district. The level and small township where I live in Michigan prefers neighborhood prestige and walking distance of several schools to the buses, economy and increased facilities of a consolidated school. Difficulties of transportation influence others. At another extreme is a Texas school which brings pupils from homes 40 miles away.

Combining districts under a single administration meets similar obstacles. Some district offices, paying little or nothing but satisfying, would be abolished. Illinois has several consolidated schools but also has 12,000 districts, some so small that they have more school trustees than teachers. Missouri permits two or more counties to combine under a single superintendent for administration. Laws in other states may forbid a school district larger than a township.

In spite of all the obstacles, differences and discussions so characteristic of our country, the School of Tomorrow is inevitable. Education has made the nation what it is today and only education of the new generations can keep it in the forefront of world leadership in the years ahead.

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## Baby Sitter Impresario

**M**ISS ROSALITA THARPE is a personable and, as it so happens, a pretty young lady. She also is quite a business woman, having elevated baby sitting in Washington from a catch-as-catch-can neighborhood proposition to a downtown office and the yellow pages of the telephone book's classified section.

Miss Tharpe calls her firm Substitute Parents. Licensed and bonded, she's convinced her business is as necessary and durable as the banking institution above which her office is located.

Two years ago she was a government girl. She was young and full of ideas. One of them was that she would like to be in business for herself.

Miss Tharpe had noticed that married people frequently were concerned about whom they were going to get to sit with little junior so that they could step out for an evening. Being a thoroughgoing young lady, Rosalita Tharpe set out to learn the baby-sitting business from the ground up.

After two months of learning the angles, working at it herself, she boldly severed connections with Uncle Sam and set out to earn her living as a baby sitter impresario.

The first thing she did was to advertise for women who would do the actual baby sitting for her. Character references were a must, and through personal interviews she made sure candidates were capable as well as presentable. She wanted baby sitters who could be real substitute parents and who, if

necessary, could turn on a gas stove, make up a bed, or entertain children.

The run-of-the-mill sort of substitute parent wasn't wanted, either. On her staff have been such people as an economist, a senator's secretary, a couple of Icelanders and two Chinese girls.

Miss Tharpe aims to please. If someone calls her and says, "Listen, some friends of ours, Portuguese, are visiting us tonight and have two small children who can understand only Portuguese," Miss Tharpe can reply:

"Think nothing of it, I'll send out a woman to stay with them who speaks the language like a native."

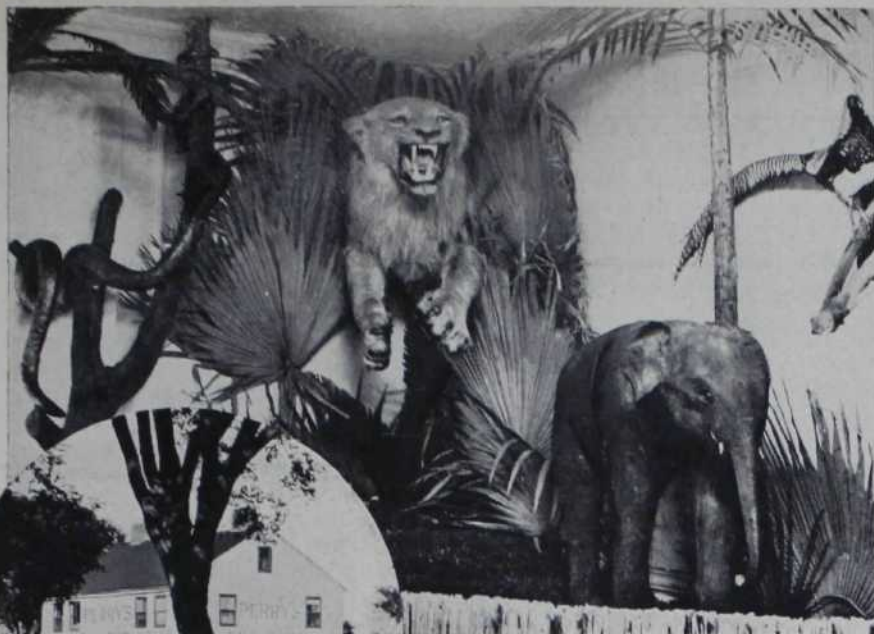
And in Washington, with its foreign embassies and dignitaries, such requests are not unusual.

How does she get such personnel? The answer seems to be mainly that with government wages what they are, federal employees are not reluctant to pick up some extra money.

Miss Tharpe's prices admittedly are higher than the strictly neighborhood baby-sitting rates but she feels they are not exorbitant considering the dependability and character of her service. One third of the fee goes to Miss Tharpe, the rest to the baby sitter.

Her firm clicked almost from the start. Now she envisions expanding on a nation-wide basis. And the way operations have been going, the plan seems less like a dream with every passing day.

—MARK JETTY



Animals in lifelike postures are used in the Belfast, Me., house to sell nuts. Building at left is in Seabrook, N. H.

## It's a Nutty Life

**Y**OU DON'T have to milk cows, clean calf pens or pick potato bugs to make a living in the country. Not if you follow the formula of two shrewd New England Yankees.

They're doing all right, too, although they're still figuring ways to up the gross and increase the net of a thriving business in nuts.

Joshua and William A. Treat, both veterans of World War II, operate Perry's Nut Houses at Belfast, Me., and Seabrook, N. H.

"You can't run places like ours without taking a lot of kidding," says Josh. "It's a nutty business, but as far as Bill and I are concerned, it's the nuts."

There's a story behind this thriving enterprise in roasting, packaging and selling the 120 varieties of nuts that constitute the main line. You know you have run into something unusual as soon as you approach the Nut House at Belfast.

Elephants, giraffes and zebras stand around the yard in a lifelike array on either side of the two-story building that sits just back off U. S. Highway No. 1. A life-size Old Woman in a Shoe and a straw-thatched native African cart lend additional atmosphere.

"The idea," Josh explains, "is to stop traffic. Three or four cars out of every five that pass have children. The kids see the animals and let out a yell. The family stops, wanders in to see the display."

The next logical move for them is to see what is inside the building. Here the Treats have continued the tropical motif with other animals and various kinds of nuts, all artfully arranged in their native settings.

The Belfast house was started in 1929 by a former owner named Perry. He had gone to Florida a few years previously for the winter. He liked nuts, had once owned a shop, and arranged to have a few thousand pounds shipped North where he believed they would find a ready market. To give atmosphere to his place, he called it Perry's Tropical Nut House.

In 1938 the Treats bought the business and started the outside animal display. Other lines such as tropical preserves and Maine jellies and jams were added.

The Nut House at Seabrook was started in the spring of 1947 and hasn't yet all the appurtenances that distinguish the Belfast setup.

—HAYDN S. PEARSON

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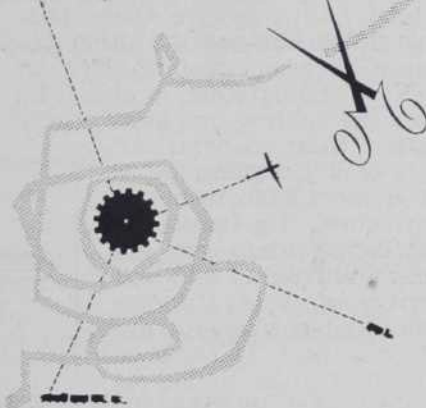


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## Even You Can Photograph Well

(Continued from page 40)

"This man is a photographer and so should know what is best when it comes to making a picture," the Prince reproached his aide.

Which is a good thing for anyone to remember. You may know all about shipping, selling, or transportation but the photographer is the one who knows about pictures. Get hold of a good lensman, one in whom you can have confidence, as you would a doctor or a dentist, and place yourself in his hands. It may "hurt a little"—he might tell you to remain motionless a certain way for a minute or two—but you can be sure you'll come out of it all right.

Ollie Atkins, a top-ranking traveling photographer for a Philadelphia firm, puts it this way:

"A man about to have his picture taken might think of himself as sitting in the barber's chair. Sure, the barber could slit his throat with the razor but he's going to use it for the man's benefit."

### Good photos for every one

ATKINS also says:

"There's no such thing as a man not being able to have a good picture taken of himself. If a man hasn't had a picture taken that has suited him yet, it's either because he hasn't met up with an A-No. 1 photographer or else, if he has, the subject has been ornery rather than cooperative."

A good photographer is after more than technical perfection. He wants to catch you when you are your most vibrant self. He's bent on capturing the glow you give out when you are at your best. It can't be forced. It has to be, as George Lohr, noted for his photographic studies of business men, says, "in character," an "honest interpretation. Else it is as phony as tinsel and of no more intrinsic value."

President Truman generally puts on what he calls his "jackass" glasses when he sees the photographers coming. They're "window-pane" glasses he uses for that purpose because they don't reflect the light of the photographers' bulbs that his regular thick-

lensed ones do. But the President's favorite picture of himself is one with his thick-lensed specs.

Why should a photographer bother so about you? Well, first, if he's a good photographer, there'll be enough of the artist in him to want to do the best possible job. And, second, he's human and has to eat three times a day, and he knows that unless his lens catches something worth while he's not going to sell many pictures.

The fact that your features may not be as symmetrical as Tyrone Power's is only an added challenge to the earnest photographer. By rearrangement of a light here and there, by leaning yourself a little in a certain direction, the chin you thought so weak-looking takes on a virile tilt and what you had come to think of as your fleshy jowls now has a forceful quality. That doesn't mean there'll be anything "posey" about the picture. The photographer has simply caught you at your best.

If you've got the impression from all this that about all there is to getting a good picture of yourself is to line up a good photographer, you're right. But there are some helpful hints which will assist you:

Wear a somber-hued, conservative suit for the picture. (Light suits frequently have a tendency to give the picture an effeminate touch.)

Wear a corresponding tie. (Many studios keep suitable ties on hand,

in case the subject shows up with one that jars too much.)

Make your appointment with the photographer, if possible, for a time when you don't have any pressing appointment immediately following, so that you won't be in a "fidgety, let's-get-going-and-get-this-over-with mood." (Most photographers say the actual time of the day a picture is taken is unimportant, although David Berns, Manhattan lensman, prefers morning appointments because he feels they make for "freshness.")

Have a neat, close shave.

Bring a hat along, if you feel you are bound to have your picture in a hat, but most photogs think that, as a rule, the best portraits are made with the hat off.

If you wear glasses, bring them along. You'll probably look better in the picture wearing them.

And that's about all there is to remember, except maybe for Photographer Simon's advice: "The business man should choose a photographer who has proved himself successful in the field of men's portraiture. Just because a man has made a name for himself in photographing women, children, still life, or anything else is no criterion as to his ability in the photography of men."

### Choosing the best photo

HOW can you tell when a picture of you is a good one, particularly if you know you're hard to please?

The photographers say to show it to your wife, girl friend, secretary, or business associate. They're acquainted with you from your various moods and angles and know instinctively when they see you at your best.

If the picture is to be reproduced for publication, it would be a good idea, though, to consult your photographer again. He'll know whether the picture is sharp and detailed enough for good reproduction.

There's nothing wrong with wanting a likeness of yourself at your handsomest. It's just putting your best foot forward, a good old American custom. Supreme Court Chief Justice Vinson supplanted a picture of himself in the Supreme Court building as soon as a photographer showed him one that was kinder to his chins. William S. Knudsen once turned down 25 separate



poses that a photographer, a personal friend of his, had taken because none pleased him. Eventually the photographer came through with one that did, and Knudsen ordered several thousand dollars' worth of prints.

Maybe you think it's silly to stand in front of a camera and smile. Well, the good photographer isn't after a contraction of facial muscles. He knows that a smiling picture seldom has a lasting quality, that, after you have seen the display of teeth once or twice, it begins to bore. What he's after, as George B. Jankovsky, veteran Underwood & Underwood photographer puts it, is "the smile in the eyes."

### Tricks in posing

LIKE most photogs, ace cameraman Leo G. Hessler will jolt a subject to unstiffen him, but sometimes the strategy backfires. Once, when he had a multi-millionaire industrialist before his lens, he said, "You know something—that shirt you're wearing strikes me as being kind of cheap-like."

Hessler had an itching finger on his camera's trigger, waiting for the expected "rise" from the industrialist.

But the tycoon, who had worked his way up from humble origins, made this calm rejoinder: "It should—I only paid \$1.98 for it."

Another thing well worth remembering about a photographer is that he is, almost without exception, trustworthy, even under exceptional circumstances. He is a professional man and he knows his biggest asset is his reputation.

Once Bob Garland, the free-lance picture man from Marshfield, Mass., received an assignment to get a picture of New-Dealing Tommy (The Cork) Corcoran. The Cork was, understandably, somewhat reluctant—he knew the picture was going to be used to illustrate an article definitely unfavorable to him.

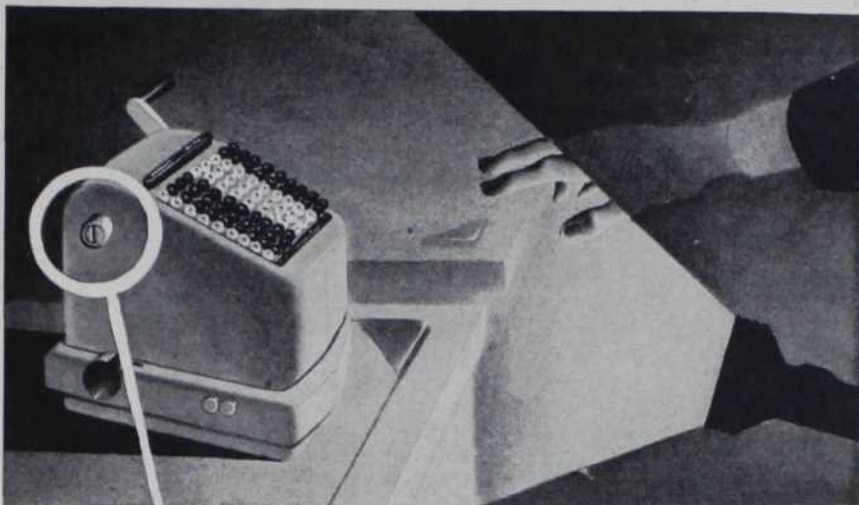
"I promise you that I'll take as good a picture of you as I know how," Garland promised.

Corcoran finally consented.

For months afterwards Corcoran winced whenever someone brought up the article. But he clipped as many of his pictures that went with the piece as he could get his hands on. He considered it the best picture of himself ever taken.

Having a good picture taken is really as easy as falling off a log. Remember—the man burrowing himself in the inner recesses of the black cloth behind the camera box is your pal.

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## Your Pencil Could Tell a Sharp Story

(Continued from page 58)

less smooth, cut it more. A comparison gives the relative smoothness. Five to six minutes of swing indicates "average smooth."

Pencils today are made in 17 grades of hardness, a scale established for drawing pencils by American Lead Pencil Company about 50 years ago. Writing pencils vary from No. 1 Soft to No. 4 Hard. The softest pencil is a 7-B, an artist's pencil. The hardest, 9-H, takes a needle point and is used by engravers and stone cutters.

Some people's sensitivity to grade of hardness is amazing. Pencil makers say that an architect blindfolded can tell a 3-H from a 4-H just by the way it "feels" on the drawing paper.

### Problems of breakage

SCHOOLDAY pencils used to break easily, and easy breakage used to be a nightmare to pencil makers. But 15 years ago they discovered what basically makes pencils break and what to do about it.

In old-time pencils, lead and wood often played apart at the point. Then, since all writing strain falls entirely on the lead at the point—*snap!* Obviously, the remedy was to make wood and lead inseparable. But because the waxes boiled in for smoothness thwarted every adhesive known, it took a long time to lick that problem.

But now you may see marked on your pencil: Super Bonded, Chemi-Sealed, Pressure Proofed, Wood-clinched.

These signs indicate a special process. Chemi-Sealed, for instance, means that this pencil's lead was bathed in sulphuric acid to burn off the wax a little, then in calcium chloride which deposited a film of gypsum. Hide glue, the industry's adhesive, holds to gypsum and wood like grim death. Result: the pencil's wood and lead married forever. Eagle Pencil Company invented the Chemi-Sealed process, and it is said that in a relatively short time it increased its top grade sales as much as 40 per cent.

When the first mechanical pencil was patented 69 years ago, some wooden pencil manufacturers began to worry. When the ball point pen came along, they worried again. Though as many as 60,000,000 mechanical pencils have been made in one year, more common wood pencils are being sold now than ever before. The reason: the

steady increases in population, literacy, school attendance and general business.

Four of the wood pencil companies now make mechanical pencils themselves. In explanation, a company executive says:

"We don't push either type against the other. We just sell to the demand. As for ball point pens, they're just not a threat to the common lead pencil because of expense, and because the average pencil user wants to erase."

So the pencil is far from obsolete although the day of the cheap pencil is probably over. Labor and materials are expensive and pencil users nowadays, especially technical men like draftsmen and big buyers like corporations, believe poor pencils bad economy. A cheap pencil may rip an engineer's blueprint drawings (grit in the lead) and ruin a day's work. And company statisticians have figured out how much good pencils save. Therefore companies buy the pencil that saves time by writing faster and with fewer pauses to resharpen. Office managers even ask, "How many checkmarks will that pencil make?"

And the salesman knows! "No. 745 Verithin Carmine Red—4,134 without resharpening."

Poor pencils spend too much time at the sharpener; and this brings up a public illusion. Some citizens gripe that sharpeners are

a conspiracy of pencil manufacturers to make pencils use up faster. One maker of mechanical pencils once declared in an advertisement:

"A seven-inch wood pencil loses six inches of itself in the sharpener."

The mechanical pencil maker was soon visited by a wood pencil executive. The visitor took a new pencil and a sharpener, made a point, broke it with his thumb, laid it on the desk; and then repeated the process until the pencil was sharpened to nothing. All the points laid in a line on the desk equalled the full seven inches of the original lead in the pencil. The concern changed its advertising.

However, as any pencil maker will tell you, "an old and dull sharpener is certainly a boon to the pencil industry."

Although 66 per cent of pencil sales are the No. 2, five cent writing pencil, the industry gets calls for many special ones. This business often grosses high and frequently puts a company on its mettle.

International Business Machines one day called Eagle Pencil Company. "Want one for our electric test-scoring machines," IBM said. "Ordinary pencils won't work. This pencil's got to be understandable to the electric sensing element."

The scoring machines pick up the location of the checkmark answer on, say, a Civil Service examination paper.

The company's research expert figured out that the solution was



a checkmark made, electrically speaking, with a "low resistance" lead. He finally got one with the right number of ohms resistance. The pencil made of that lead—still a secret formula—made the scoring machine a practical performer.

IBM then wanted a further refinement: a lead made so that it could tell that the mark was from the special IBM pencil and no other.

The pencil company handled that, too. If the IBM pencil is not used, alcohol put on the mark will not turn it red!

However, this special pencil, *International Electrographic* "(132)," has a serious drawback. Everybody steals it. Test-takers became so enchanted with its silky sweep over the paper that they carried it home. So many were stolen from exams that the Civil Service now requires a deposit of ten cents from every examinee. And still they take pencils home.

### Specials for many purposes

CELLOPHANE brought another special pencil project. Dealers with cellophane-wrapped goods complained that they couldn't price-mark their wares. So the du Pont Company called on the pencil industry. The Blaisdell Pencil Company of Philadelphia produced the pencil that did the trick. It still makes this pencil, as well as other specials for marking glass, china ware, plastics and the skin of human beings for the physician and surgeon.

The meat packers tossed a curious special at the pencil people one day. A pencil to mark on meat. And it had to be kosher! No pork-derived ingredients allowed. They mark meat with these pencils today.

There are also specials for marking textiles, the underside of fingernails, carpenter work, and one special pencil so thin it is intended for a bookmark.

People have likes and dislikes in pencils, the companies have found. The average citizen prefers hexagonal, but newspaper men like only round pencils. Artists want round ones, too, but architects and draftsmen want theirs hexagonal. Railroads, for their dining cars, always want round with no tips or erasers.

Thomas Edison used to have a pencil especially made for him. It was just three inches long, oversize thickness and very soft. Edison ordered them in lots of 1,000. He always carried one in his lower vest pocket. Eagle Pencil Company has

a letter in its files complaining:

"The last batch was too short," wrote the great inventor. "They twist and stick in the pocket lining."

Colored pencils—reds, greens and blues—used to be a relatively minor business. They have boomed in recent years, due, in large measure, to the discovery of a way to make colored leads almost unbreakable.

### Colors made more practical

WHEREAS Conte solved this problem for black leads in 1795, how to do it for colored pencil leads remained a mystery until 1938. Then Eagle Pencil found that, although colored leads can't be turned into a ceramic (they run too light on clay and too heavy on dye, gum and wax) they could be toughened tremendously by the addition of special plastic fibres which interlock like straw in bricks.

This changed the whole colored pencil picture. Formerly the customers—artists, mapmakers, bookkeepers, chart and graph drawers—complained constantly that colored pencils broke every minute or crumbled in the sharpener. Now the colored leads take a needle point and are so flexible you can bear down hard.

On the paper their marks are practically permanent. No fading under a full year of direct sunlight. And impervious to moisture. Hence valuable records are protected from sweaty hands or accidentally spilled water.

Although booming today—this year the 18 companies will gross \$30,000,000—the pencil industry doesn't look on the future with unalloyed optimism. Their product is tops technically, and more people are buying pencils than ever before, but some companies point out that the present productive capacity of the industry far exceeds possible demand. The industry has always been characterized by fierce competition, they say, and more of the same can be expected in the years ahead.

Success in the future, some believe, is going to lie principally in the further development of foreign markets and of new products—that is, pencils of an absolutely new kind.

"If ten per cent of China and India learns to read—think of the business!" one company executive remarked recently. "And new products? Wait till you hear about the pencil of tomorrow and how it may be made. Plastics, maybe, one piece, the whole thing extruded from a tube!"

## A Census by Business

SINCE the last Census of Manufactures in 1939 vast changes have taken place in the pattern of industry that make the best available records hopelessly inadequate and obsolete as a basis for today's business planning.

In a move to eliminate this situation, the Bureau of the Census has begun to contact 250,000 manufacturers throughout the country asking for data on the 1947 operations of each plant. This information will be kept confidential and finally published in such a form that the operations of any single firm cannot be determined.

The Bureau has worked closely with representatives of the Chamber of Commerce of the United States, manufacturers, and their trade associations on the form and content of the questionnaires being sent out. The present gap of eight years since the last census in 1939 is the longest in recent history.

The current census is described as of exceptional importance, not merely because of this eight-year lapse, but because these years have

probably witnessed far greater changes in American industry and in the entire economy than any other similar period in our economic existence.

Officials behind the census urge that, when the census forms and schedules are received, particular attention be paid to making out complete and accurate reports and returning them to the Bureau promptly.

Promptness is emphasized because delay involves expensive follow-up telegrams, telephone calls, or visits from field personnel. Rounding up the facts from the dilatory last ten per cent may cost as much as getting them from the first 50 per cent.

The final census will provide trade associations, chambers of commerce, and all other organizations which serve business, as well as manufacturers, advertisers, and marketing groups, with an up-to-date body of detailed information on which to base intelligent business planning. Facts will take the place of guesswork, knowledge will supplant hunches.

## Read Me the Meaning Thereof

(Continued from page 46)

a reliable barometer of future business activity. He sees no connection between the two. Therefore, what is ahead for business does not concern him. But he is currently gloomy about the outlook for stock prices.

Because of the sheer numbers of Dow theorists, and because the Dewey book spread like fire and because Parkhurst had the New York Times as his forum, these three sources have done more to hobgoblin American business men over the recent past than any of their competitors.

But they have not had things all their own way. By turning to other prophets, the business man could find tidings of comfort and joy. One who has consistently refused to view with alarm is Arnold Bernhard, publisher of *The Value Line*. Bernhard's service has gained popular favor in the past five years largely because he devised a simple and graphic method of presenting relative values of common stocks.

### A forecast of production

EVEN more significant, however, has been Bernhard's Capital Conversion Index, which seeks to foreshadow by months any changes, up or down, in the Federal Reserve index of production. A bold and uninhibited thinker (he correctly predicted the Hitler-Stalin pact when most Americans thought communism was the opposite of fascism), Bernhard came to New York originally to write plays. Tiring of supporting himself by such odd jobs as modeling for sculpturing classes, he became a statistician for a statistical service, then started a business of his own.

Total production, he reasoned along Keynesian lines, is governed by the volume of money poured into the spending stream from such sources as number of cars made and sold, new building construction and government deficits. Since these and similar components of the index have been large over the past few years, Bernhard has been consistently giving out with assurance that business would continue good, and that, therefore, stock prices were not likely to suffer severe breaks.

Bernhard has some 4,000 subscribers—rather more than most of his competitors. Even so, compared to the greater noise made by Dow, Dewey and Parkhurst, Bern-

hard has been but a gladsome  
whisper.

Of course, the economic services with the largest audiences are the big, established statistical gathering and reporting organizations: Standard & Poor's Corporation and Moody's. In their manuals and records of every conceivable type of business index, they render a service to industry of incalculable value. But they both try, in specialized publications, to appraise the outlook. Where have they stood in this battle of the prophets over the past two years?

Alone among the services, these august institutions are permitted to utter pronouncements of a Delphic quality. Working from fundamentals, they are prone to point out that, on the one hand, this is so but, on the other hand, "not so fast," as Mr. Dooley once said. At the market's high in May, 1946, both thought the bullish forces had regained the ascendancy. A few months later, after the market had dropped, they both adopted a cautioning attitude. Because of the frequency with which they use the appositive "however," the announcement that "Standard has turned bullish" or "Moody's has turned bearish" no longer creates much excitement in financial and business circles. The Dow theorists, for instance, exert much more influence marketwise.

At the opposite poles stand the services which deliberately limit the number of their subscribers, and which base their calculations and predictions primarily on one outstanding correlation as a forecast of future trends. A good exam-



ple of this type of service is the Incoming Order Index of Gilbert MacKay & Associates. MacKay started his business career as a Wall Street statistician. He early became dissatisfied with the economic tools the Street was using, and hit on an idea. The idea: that the one important clue to the future course of all business was the volume of new orders flowing into corporations.

But how to get these closely guarded figures? MacKay then made the rounds of big business, and signed up 50 corporations. No one of those companies competes with the other. Each reports its new order experience to MacKay, who brews them into an index which only those who subscribe are permitted to see. MacKay can statistically demonstrate that, historically, the flow of new orders correctly forecasts the ups and downs of business volume. Even those among his subscribers who do not expect miracles from the service are enthusiastic about its value.

## Loans and inventories

**STILL** another service notable for a single statistical correlation is the Townsend-Skinner Index. This reports and relates the amount of money business is borrowing from the banks and the total dollar volume of inventories. It purports to show the condition of business rather than what the volume of business is or what it may be. But, like MacKay's Incoming Order Index, the Townsend-Skinner Index, historically adjusted, can be shown to have forecast trouble whenever inventories were piling up and causing business to borrow heavily.

These are only a few of the oracles capitalizing on the business man's yearning for some method of looking into the future. There are many others, each with true believers, each with scoffing acquaintances. It was even so in the ancient world. The Delphic oracle did not have the field to itself.

History tells us these seers exerted profound influence on the political and economic life of their times. In so doing, they amassed great riches, because they all made charges for their revelations. The modern American oracles exert influence, too, and are thriving.

However, if anyone ever works out a system that is invariably right, chances are he won't sell his predictions to others; he'll be so busy and prosperous parlaying \$1,000 up to untold billions that he'll have nothing to gain by letting anyone else in.

## Tax Gatherers Are People

(Continued from page 49)

limited, however, to questions of dependents. A collector questioning the owner of a small grocery store asked whether the wife used food from the store for the family cooking.

"Oh, no," the owner replied. "I charge too much. My wife buys at the A & P."

All this prying into personal affairs—no matter how necessary to financing the Government—is bound to irk some people. Maiden ladies, particularly, are likely to be sensitive. One of them was in the tax office having her return prepared, when the weary deputy asked the standard question, "Are you married or single?"

The indignant response, accompanied by a fierce glare at anyone who might have been close enough to hear was: "I don't think that is any of your business."

Optimistically, the tax laws expect everyone to keep detailed records of their financial transactions so that they can be used to settle questions about tax returns, if and when it becomes necessary for a tax collector to look at them.

A case arose about a year ago in which a summons was sent to a small business man in Kansas to produce various records.

When the time arrived, no books came. But the taxpayer was there—an obvious hen-pecked type. Where were the books?

"My wife and I don't get along," the man stammered, "and she won't give me the records to bring up here and show you."

Life also seemed complicated to a Detroit man in the throes of an income tax investigation. The deputy was suspicious that the man hadn't reported all his income.

Taking a new tack, the deputy asked about the man's customary expenses. They added up his rent, his food, street car fares, entertainment and other items. Finally, they reached an agreed total of \$43.50 as the man's weekly expenses.

"Now, according to your return," the deputy insisted, "your pay is only \$38 a week. Tell me, how can you manage to spend \$43.50 a week?"

The man's face brightened perceptibly as he came up with the answer: "Boss, I just wouldn't know what to do if I didn't hit the numbers once in a while."

It had never occurred to him

that gambling winnings were "income." It probably escapes a lot of people—until the tax collector makes a more or less inevitable reminder.

Contest prizes are taxable too. In fact, many happy winners are quite shocked to see prize money dwindle sharply under the tax law. In the famous "Miss Hush" contest, last fall, tentative estimates of the tax ran over \$5,000!

Sometimes, tax problems result merely from absentmindedness. Last year, a minister in a small southern town got very worried when his refund check failed to arrive, although the collector's office had a definite record of the check having been mailed. Finally, the minister asked that payment be stopped on the check to thwart any



Some people never think of gambling winnings as income

crook who might have stolen it.

The next day he telephoned the tax collector's office again. This time his mood was different. While looking up a new text for Sunday's sermon, he had found the refund check in his Bible.

Refund checks have spawned a whole raft of stories. But one of the best concerns the man who got two refund checks.

A revenue investigator got the man to admit that the two checks arrived just two weeks apart. But the taxpayer denied he had anything to do with causing two checks to be written. The investigator suggested the taxpayer should have sent one back.

"What did you think when you got two checks?" the investigator demanded.

"Why, I thought it was mighty nice of you-all," was the reply.

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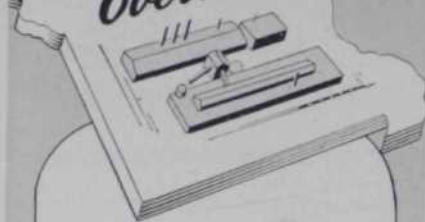
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# Reading for Pleasure or Profit...

## "The Board of Directors and Business Management"

By Melvin T. Copeland and Andrew R. Towl

BUSINESS MEN run the risk of becoming directors of corporations. When they do, special hazards beset them which are the subject of this study of "The Board of Directors and Business Management" (The Business School, Harvard University, Boston, Mass.; \$3.25). Copeland and Towl have gathered case histories from the business world, object lessons in how corporations should and should not be run.

A common failing of the enterpriser who incorporates his own business is to be jealous of his authority and afraid of interference. He sets up a dummy board of directors with no real power, consisting, perhaps, of his wife and bookkeeper. Without adequate capital or the advice of experienced colleagues, his business soon fails.

The board of directors, these authors say, should be an integral part of the corporation.

Directors should keep everyone happy—investors, employees, suppliers, creditors, and above all the executive staff. Many corporations have cracked up over difficulties between the president and the board.

## "This Fascinating Advertising Business"

By Harry Lewis Bird

ADVERTISING has had its critics ever since Dr. Johnson complained that "promise, large promise, is the soul of the advertisement." But this author, an adman himself, defends it, pointing out that if we think of the U. S. economy as an automobile, advertising is the self-starter as well as the horn.

Advertisements sell, even as they irritate; and, paradoxically, radio's most irritating female announcer (by popular poll) built record sales

for her sponsor. The advertising business really got under way about 1870, when advertisers, partly inspired by the lavish publicity techniques of P. T. Barnum, broke through the stately old rule that newspaper ads must be only a column wide and in small type. By 1900, with the advent of breakfast foods, advertising became a great industry.

Advertisements today are made increasingly sure-fire by the elaborate methods detailed in "This Fascinating Advertising Business" (Bobbs-Merrill, 724 North Meridian Street, Indianapolis, Ind.; \$4). Here we learn how publicity media are tested—how traffic is counted at every billboard and how housewives are tirelessly

grilled by Hooper Rating experts.

Even more subtle are the psychological techniques of modern advertising. Copy writers now know that a "news" or "how to" approach is more persuasive than a direct command, that the word "amazing" sells more than "startling" or "exciting," that drawings often make better ads than photographs.

## "Washington Cavalcade"

By Charles Hurd

ANY "high society" presents a kind of elegant caricature of the world around it, and in "Washington Cavalcade" (Dutton, 300 4th Avenue, New York; \$4.50) we find a unique cartoon of American government, made up of balls, banquets and minor scandals.

Washington, we learn, was once the site of great plantations, where gentry rode to hounds. When it became the capital, a plantation aristocracy, largely from Virginia, continued to dominate social life. Without industry, early Washington had almost no middle class; its poor, among swamps and fevers, served the gentlefolk as slaves, servants and tradesmen.

But under Andrew Jackson



democracy came to town—with fist fights and coonskin caps—shocking the first families. Senator Eaton married a tavern-keeper's daughter, and "society," though mortified, was at last forced to accept her.

A robust era followed, when congressmen wagered on who could walk from the Capitol to the Willard Hotel, and stop for a drink at each saloon on the way, without passing out.

"Washington Cavalcade" brings its social chronicle up to date, from Dolly Madison's reign through Dolly Gann's civil war. Wives, struggling in society, accurately reflected the political fortunes of their husbands. In the desperate competition, to "arrive" was everything—or, as the British Ambassador said of his invitation list, "like heaven. Some are chosen, some are not."

### "Men of Law"

By William Seagle

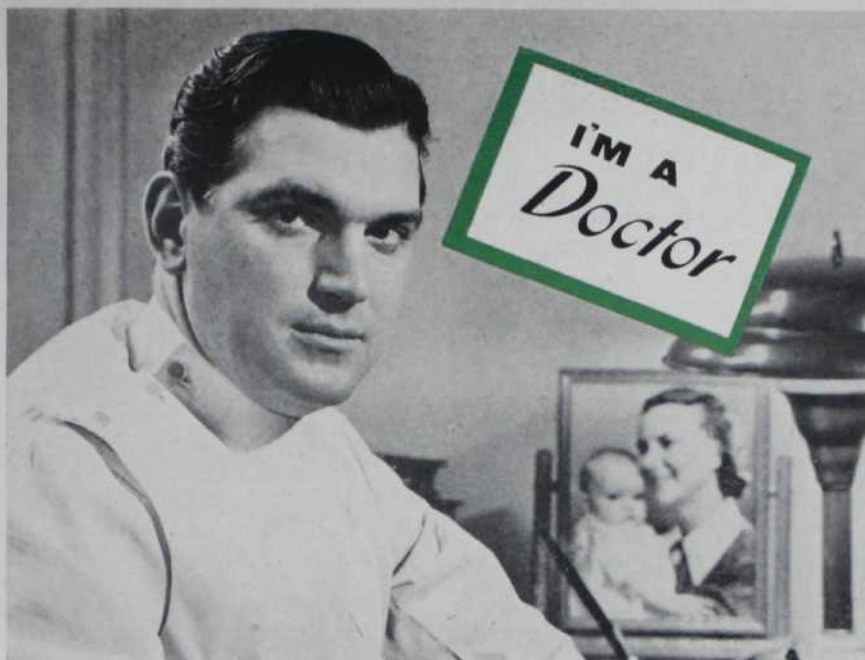
LAWYERS and amateurs of the law will enjoy this account of the men, manners and social change which have shaped legal history. "Men of Law" (Macmillan, 60 5th Avenue, New York; \$5) begins with the Babylonian monarch, Hammurabi, whose great achievement was to write down a rough set of rules on a pillar. In those days the law was regarded as divine, and its history might be thought of as a slow process of secularization, climaxed in the sophisticated legal relativism of Justice Holmes, with which this book concludes.

The great law-givers have been a remarkably colorful lot, most of them tyrants or neurotics. Especially amusing to read about are the violent career of Edward I, who formulated the common law in England, and the preposterous shyness of Beccaria, the pale Italian boy who established modern criminal law.

### "Night Cry"

By William L. Stuart

SHORT, swift and absorbing, this tale of a moment of bad judgment and its consequences for Lieutenant Deglin of the New York police force puts Stuart at the top of his craft. Deglin becomes his own victim in a twist of plot as original as it is convincing, and we watch the mechanisms of police detection turned inward, as it were, on a member of the force. Beautifully and economically written, "Night Cry" (Dial, 461 4th Avenue, New York; \$2.50) is a must for lovers of suspense.—BART BARBER



LAMBERT

BEEN TO A DOCTOR lately? If you have, then you'll know what a busy man he is these days—perhaps busier than ever before. Any one of the nation's 185,000 practicing doctors will attest to that.

Despite their full schedules, it's not surprising to find medical men as members of local chambers of commerce. Many of us join because we are interested in the good health—not only of our patients—but of our communities. It is in this field of public health we can make our greatest contribution, winning support for and initiating health projects.

In my case, I act as a link between my profession and the other elements in my town. Often when there is a controversy over some public health matter, I am able to supply the facts. From time to time I inform employers as to the general health situation. And I take an active part in health education programs.

▶▶ WE DOCTORS know that no matter how good our local chamber officials are, they can't do their most effective work without your help.

They can help you, too, if you'll help them. So ask what you can do. Then, if you want to dig deeper into the possibilities of chamber work, read "Local Chambers, Their Origins and Purpose." Write for a free copy.

**Chamber of Commerce of the  
United States of America  
WASHINGTON 6 • DC**



## COLD FACTS

### on COOL WATER

One good way to choose drinking water equipment would be to make tests of various types, based upon your particular needs.

Not everyone has research and testing facilities—but you can get the story of dependable, low-cost water cooling from the folder "COLD FACTS ON COOL WATER."

This informative folder describes the 5-year factory-user replacement warranty with exclusive CORDLEY features on hermetic models... pressure and bottle-type water coolers made by CORDLEY, who have specialized in quality drinking water equipment since 1889... sold and serviced by authorized distributors and dealers in the United States, Canada and 38 other countries.

Write now for your FREE copy of "COLD FACTS ON COOL WATER" to: Cordley & Hayes, Dept. NB-1, 443 Fourth Avenue, New York 16, N. Y.



**Cordley**  
NEW YORK

Automatic Electric Water Coolers

## Combined Operations

with



**SAVES TIME...  
SAVES MONEY**

On the job, in many different businesses, Bonnar-Vawter engineers have given proof of greater efficiency after installation of Bonnar-Vawter Precision Forms and systems. Thousands of firms all over the nation use the "Bonnar-Vawter way" to keep costs lower.



### Get Your Own BONNAR-VAWTER System

There is no charge... no obligation to learn how Bonnar-Vawter Precision systems and forms will help your record-writing operations. A Bonnar-Vawter system engineer will simplify and improve your record-writing.

Consultation FREE... Write Today

**CLIP THIS COUPON... MAIL IT NOW**

Bonnar-Vawter, Inc., 1717 East 30th St., Cleveland 14, Ohio NB-1

Supply us further information on your record-writing helps. We understand there is no obligation.

NAME..... TITLE.....

FIRM.....

ADDRESS.....

CITY..... ZONE..... STATE.....

Bonnar-Vawter business forms are continuous or cut in single sets, with or without one-time carbon, for use in all business writing machines.



## Odd Lots

By Reynolds Girdler

### Inside Outside

WALL STREET was grateful for Plymouth Oil. Its stock was strong and active, a bright spot in the otherwise drab market dulling the Street's hopes for a good 1948. Investigating the cause of the stock's strength, the Street's wise men found the company, as rumored, was about to open a new, big oil field. But the Street's graybeards decided the stock's rise had already discounted the news. Then the company announced its new discovery. Promptly the stock bounded up about 15 points, proving that in Wall Street you can know the facts and still guess wrong.

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### Whopper

THE GULF OIL financing sent the record-keepers digging into their archives. After much arguing, they agreed it was the largest common stock issue ever underwritten. The italicized words, of course, supply the distinctions that made the issue a record breaker.

But the deal was notable for a number of reasons. For one, it showed industry's acute need for new money. Ordinarily a company with the earning power and assets of Gulf wouldn't have considered selling new common stock at such a relatively low price. And second, it showed the reliance industry is now placing on its own stockholders as a source of new capital.

For, just as in the cases of The Texas Company and A. T. & T., Gulf Oil offered rights to its stock-

holders to subscribe to new shares. (Promptly Wall Street wags began talking about Rights disease spreading over the district.) Gulf took no chances on not getting its money. Unlike The Texas Company, Gulf's new issue was underwritten.

As head of the underwriting group, The First Boston Corporation decided to use a "long form" advertisement.

By giving more than usual prominence to the large number of houses in the financing, First Boston gave the "monopoly" charge a smack in the eye. Its significance might have been lost on the public. But no one in the Street missed the point.

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### The First of What

THE GULF OIL issue was the first big piece of financing headed by The First Boston Corporation under its new president, Jim Coggeshall, and its new chairman of the executive committee, George Woods. Coggeshall, the solid, steady type, gives rise to few legends. A former Harvard track man, a Navy flying officer under Admiral Byrd in World War I, Coggeshall started with the original First National Corporation of Boston.

Woods, a razor-sharp, skilled negotiator, has always piqued the Street's interest. An office boy at Harris Forbes in the first World War, Woods was just about running the underwriting department of that firm by the time the war was over.

First Boston went through four changes of names before arriving at its present title. Its third name

was "The First of Boston Corporation" and many an old-timer still calls it that. But when that name was new, the Street's wits had a question that always drew fire.

"What do you mean, The First of Boston? The First *what* of Boston?" The company answered that question by becoming first in just about every phase of the security business. A leader in underwriting, its government department challenges the government houses, its Canadian department challenges the Canadian houses. All along the line, it hits on its multi-cylinders. There is no other firm quite like it in the business.

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## Listing

AS OF LAST month, more than 1,200 companies had their securities listed on the New York Stock Exchange. How did they get them there?

The answer, of course, is that the companies themselves applied and, meeting the Exchange's minimum requirements, were accepted. The Exchange gives itself a good deal of latitude in deciding what issues are suitable. But its minimum requirements are simple. A company must have at least 200,000 shares outstanding, well distributed among at least 1,500 stockholders.

Actually, even this number of stockholders is small for an "auction" as distinct from a negotiated market. With only 1,500 persons, you have only a few sellers, few buyers. But most companies on the Exchange have shareholders running into the thousands, with some into the hundreds of thousands. Charge for listing is one-half cent a share for the first 2,000,000 shares, and one-quarter cent a share for anything over 2,000,000. The minimum initial listing fee is \$2,000.

Principal complaint by financial writers against the Exchange's listing procedures is that the Exchange holds on to stocks even though the issuing company may no longer be a prosperous concern. Carlton Shively, the New York *Sun's* financial editor, loses few chances to jab the governors on this point. That, and the failure of the ticker to keep up with actual trading in active markets.

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## Secondaries

THERE is an old story about a donkey slowly starving between two mounds of hay because it couldn't make up its mind which to eat. Wall Street brokers exhibit some-

*To Sum it up  
Quickly...*



## ...nothing can beat an UNDERWOOD SUNDSTRAND Adding-Figuring Machine

Her fingers ripple over the 10-numeral keyboard . . . touch a motor bar . . . and there's her total.

It's as simple as that . . . and as fast.

The keys of the Underwood Sundstrand are arranged in natural sequence under the finger-tips of the right hand. Even untrained operators pick up the "touch" method . . . after a few minutes' practice.

This machine is quiet, too. Key action has been cushioned . . . operating noises muffled. There's no annoying jar or clatter to hinder concentration. As a result operators are more relaxed . . . and more accurate.

Yes, for speed, simplicity, accuracy in adding and figuring you're sure to agree . . . there's nothing like an Underwood Sundstrand. For a complete demonstration call your nearest Underwood representative today!

5 Reasons why YOU should say  
"Underwood Sundstrand"

1. **SPEED.** World's fastest keyboard. Only 10 numeral keys under the finger-tips of one hand.
2. **EASY TO LEARN.** No long training period for operators. Even untrained personnel learn the "touch" method in a few minutes.
3. **NO HEAD SWINGING.** Operators keep their eyes on their work . . . not the keyboard.
4. **MADE IN MANY MODELS.** Made in sizes and models to fit any business . . . large or small.
5. **WORLD LEADER.** Backed by 50 years of craftsmanship and research in producing typewriters, adding-figuring and accounting machines which "Speed the World's Business." Sales and service everywhere.

## Underwood Corporation

Adding Machines . . . Accounting Machines . . . Typewriters  
Carbon Paper . . . Ribbons and other Supplies  
One Park Avenue New York 16, N. Y.  
Underwood Limited, 135 Victoria St., Toronto 1, Canada  
Sales and Service Everywhere © 1948



## FILING MADE SIMPLE, FAST AND ECONOMICAL WITH

### "Y and E" Direct Name System

Forty years of experience—hundreds of actual stop-watch tests with the "Y and E" Direct Name System prove that this is the simplest, fastest system you can use.

Have your "Y and E" dealer show you how filing can be made simple, fast and economical with the "Y and E" Direct Name System.

Write us today for complete details and name of your nearest dealer.




1. You open the drawer. Your eyes seek the center and there, a row of alphabetic guides stare up at you. You can instantly locate the desired subdivision.
2. You find the folder you are seeking under the name you have in mind. It is natural, simple and effortless.
3. Miscellaneous folders contain small accounts.

Individual name and miscellaneous folders are also numbered to permit returning folders to the file by number. This is also a check against misfiling. Furnished in sets of 25 to 10,000 or more subdivision.

**Yawman and Erbe Mfg. Co.** 1043 Jay Street Rochester 3, N. Y.

Foremost for More Than 65 Years

Consult Your Local Classified Telephone Directory for Your Nearest  Representative

thing of the same characteristic in developing business.

Some well known stock will go along day after day, with only 300 or 400 shares daily being traded. Then a "secondary" in that stock is announced, and immediately brokers can generate orders in the stock running up to 10,000 or 20,000 shares. A "secondary" is a distribution at a fixed price of a large block of stock already outstanding.

As an example, consider Clinton Industries. For days prior to Jan. 13, there was little buying in the stock. Then Newhard-Cook of St. Louis and Smith, Barney announced a 10,000 share "secondary." All the shares were placed within a two-hour period by about 20 houses.

Of course, the higher commissions earned on secondaries account for part of the greater interest. But not all of it. It's just that, when brokers have an issue upon which they can concentrate, they can do a better sales job.

Secondary distributions are largely a phenomenon created by the thinner markets resulting from SEC rules. Before SEC, an estate wishing to sell a block of some listed stock could have sold the whole thing on the Stock Exchange. But no more. The thinner markets will seldom take a big block. Now a group of houses must be organized and a sales drive launched similar to that put behind a new issue. Some call it progress.

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### Brain Trusters

ONCE THEY were known as statisticians, and their status in the Street was not very high. But that was when they were little more than keepers of the Moody's Manuals and produced little traceable business.

Now the Street's analysts, research men and economists occupy exalted rank in the financial hierarchy. Principally this is the result of the increasing professional nature of the securities markets. Most of the volume on the Exchange today is supplied by insurance company buyers, bank buyers, investment counsel and investment trusts. The volume generated by the average investor no longer bulks large.

Now these professional buyers (professional trustees, many of them) insist on dealing with trained and experienced investment analysts. So the 1,200 members of the New York Society of Security Analysts have become in-

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KENTUCKY

*These industries found*  
**KENTUCKY**  
*the place to locate*

Numerous Kentucky communities, with suitable factory sites, have an abundance of native labor. Join the growing ranks of Kentucky's industries.

Write for a detailed, confidential survey of what Kentucky offers your industry. A personalized report will be prepared by our trained industrial staff.

International Harvester  
E. I. DuPont  
Reynolds Metals  
B. F. Goodrich  
General Electric  
Ray-O-Vac Co.  
Goodall Company  
American Radiator  
General Shoe  
Magnavox  
The American Rolling Mill  
Devco & Reynolds  
Hamilton Carhartt Overall Co.  
Tube Turns  
The Mengel Co.  
International Shoe  
Wood-Mosaic  
American Air Filter  
Armour  
Belknap Hardware & Mfg. Co.  
Ashland Oil and Refining  
Consolidated Biscuit  
Ford Motor Co.  
Kentucky Rock Asphalt  
The Wadsworth Watch Case  
Carnation Co.  
North American Refractories  
International Minerals & Chemical Co.  
American Woolen Co., Inc.  
General Box



**Kentucky** CHAMBER OF COMMERCE INC.  
521M FINCASTLE BLDG. - LOUISVILLE 2, KY

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creasingly important to their firms.

Their Society, too, has become increasingly important. Some weeks as many as five corporation presidents (and big companies, too) are glad to trek down to the Society's modest club rooms to address the luncheon meetings. For variety's sake, the Society also has had as speakers Earl Browder, when that worthy was still actively associated with the Communist Party, and Norman Thomas, who needs no introduction.

This month the nation's analysts hold the first convention of the recently organized National Federation of Analysts' Societies. Brain-trusters from Chicago, Philadelphia, Hartford and other security centers will attend. The subjects to be covered by the program are as impressive as those of a convention of atom physicists.

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### Bank Day

BY FEDERAL regulation, all national banks must hold their annual meetings in January. By tradition (and who started it no one knows) banks hold their meetings on the second Tuesday of January. Thus, this year no less than 18 New York City banks held their meetings on Jan. 13. And on that same day thousands of banks all over the country did likewise. Accounts of their meetings took about all the space available in the financial press.

Best guess as to the origin of this second Tuesday business is that years ago a leading bank adopted the day, and others followed. But now the tradition is being broken up. What the Chase National Bank does this year, others will do in the years to follow. This year Chase held its meeting on Jan. 27, thus flouting tradition.

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### Ye Olde Chop House

ESTABLISHED in 1800, and antequely located on Cedar Street, one of the financial district's few true canyons, this nook seems to have some right to its old English spelling. After all, it was doing business when Wall Street was reckoning its trading in shillings, not dollars. Prints of every period hang indiscriminately over its angular walls. The management insists that the legend that Vanderbilt once chased Daniel Drew out its back door is fact. As proof that the pious little speculator made his exit there they can still show you the door.

# Just Off the Press!



## ELEVATOR COMPANY

Serving the  
industrial needs of America  
through 256 local offices

— a diagram-packed booklet that gives you facts you need to know before "elevating" a building where power trucks are to be used. Gives elevator sizes and capacities and practical installation data.

Please send new Otis Bulletin B-705A which shows how and where Pow-R-Truck Elevators differ from conventional freight elevators. Clip and mail to Otis Elevator Company, 260 Eleventh Avenue, New York 1, N. Y.

Name

Business Address

City  Zone  State

# On the Lighter Side of the Capital



## Hark from the tomb

MIND you, this comes right from the third periphery of the State Department. Not from the inner circle in which the All Highest contemplate themselves. Nor from the second circle, where the powerful desk sitters are, but from the gallery seats from which the wise observer notes what is going on in the arena.

"And keep our mouths shut," he said. "We learn even to control our facial expressions. A snicker might ruin our futures. I'm not kidding about it. I've known many a good man sent to the sticks because he dead-panned or did not dead-pan at the wrong time."

He has made a career out of keeping his face straight. He thinks that, after all, this is a pretty good thing in the State Department of a democracy. If we had a really smart lot of hombres in the diplomatic end they might make us a lot of trouble.

As long as they are mostly concerned with looking like river gamblers about to win the old man's plantation they cannot do us much harm.

## A plea for back rooms

THE TROUBLE is, he said, that the State Department buckaroos do their drinking in the wrong places.



They go out to these Washington cocktail parties and maybe look deeply into the eyes of a duchess or some other titled dame,

and think how swell it would be to ramble with her into the conservatory and they get notions. Maybe the girl, all pink and round and so soft she is practically melting, says to the man from the State Department:

"But why do you not say to the Congress that they must do this thing?"

Maybe the young feller, or some-

times it is the old feller, falls for this and forgets about Patrick Henry and Bunker Hill.

If the Department young men were to do their drinking in back rooms, smelling of beer and Wheeling stogies and Wisconsin full cream cheese, such errors in strategy would not be possible. He thinks they'd better let Nuit d'Amour alone.

## The Everett Watkins plan

SHORTLY after Indianapolis was taken from the Indians, Everett Watkins came to Washington as a correspondent. Then he went into business.

Recently he returned on a look-see expedition, and has produced a plan. He would have all policy-making members of all departments of the Government forcibly taken from their desks at intervals and compelled to mingle with the folks at a distance from this center of confusion.

He would have them drive their own cars, change their own tires, abjure ladies' clubs and striped pants, eat at Charley's Diner and sleep in motels as often as possible. He thinks that if they should travel anonymously, none of the blows to their self-esteem would be deflected.

He thinks they would then return to Washington infinitely wiser men.

## An unsolicited testimonial

"LADY INVERCHAPEL," said the inveterate party-goer, "is a beaut, a peach, a honey, a particularly swell lady. She shakes hands like an American. She laughs at a story as though she enjoyed it. She can tell a story, too. She can dance like all get-out. She is a super-lalla-palooza."

Lady Inverchapel is the wife of the British Ambassador to these parts. He is an ace among British diplomats. The party-goer was able to contain himself when speaking of Lady Inverchapel's husband.

"You could not slap him on the back," he said. "I tried it and I failed. His eye-work is wonderful."

## The oak and the acorn

COMDR. Julius M. Amberson left Washington the other day at the head of a unit of Navy scientists. They will hunt germs and their cures in Africa. Amberson's breast would be plastered with medals if he ever wore them. He found the only 100 per cent cure for cholera, among other things. Every man he treated lived.



(Not that this will make any difference to the poor devils in India. They will go on dying. But the cure is waiting for them.)

Amberson is what he is because of the sick boy who had a "lab" in his father's stable in Bismarck, N. D. Amberson rubbed down his father's horses on the other side of the alley.

The sick boy died a few years later but—somehow—he made a husky youngster who had been mostly interested in hunting and fishing into a scientist. If he could look down from wherever he is now, he would be interested in reading Amberson's citations.

## But it doesn't mean war

NO ONE should argue from Amberson's bug-hunting in Africa that the American Navy expects war to break out there or anywhere else, ever.

The Navy's job is to foresee what may happen and put up safeguards. It will coincidentally look down its nose at the Army, even if Army and Navy and Air are under the same blanket nowadays. A most admirable admiral chatted over the teacups recently. When he had reached the responsive stage the lady said:

"The Navy always acts as though the Army is a poor relation."

The admiral regretted this fact but regarded it as unavoidable because of the superiority of naval personnel. Which seagoing snootiness does not suggest that future relations between the arms will be any better than they have always been.

## Christian Herter's bones

CHRIS HERTER (R., Mass.), author of the Herter plan to help Europe help itself, is six inches more than six feet tall, good looking, rich, 52 years old, earnest, a

friend of Herbert Hoover, and with a record of distinguished performance in politics and diplomacy that goes back to his twenty-second year. If the dopesters around the House are right, he is slated for something good at some future time.

"Only," said one of them, "it will have to be a reward for merit."

The complaint is that he cannot loosen up socially. His office is no lodge for the Free Sitters. He does not listen patiently to loose talk. He is an incredibly hard worker. When he led his committee from the House to Europe to look into affairs he locked them so severely to their problems that Mike Monroney of Oklahoma complained they did not even see the sea. He still walks in a gangling kind of way because his legs were in braces for the first 12 years of his life. He is a kindly man but when it seems necessary he can cut his opponent in debate into strips. In a brotherly way.

### Right from the stable

THE BARBERSHOP war is on full blast. Elsewhere people may say that Russia will or Russia won't.



The strategic centers in the barber-shops mostly vote aye:

"My niece," said W. Themistocles Jones, which is perilously close to

his name, "runs a mimeograph machine in the War Department."

He then rubbed a little more lather into the patron's ears.

"Naturally," he said, "she reads all those extra-secret interoffice letters. She says war is coming sure."

Mr. Jones said that, of course, all this is off the record.

### Advice to the word-lorn

THE HON. Jim Watson, 84 years old, for 35 or 40 years one of the mainstays of the Senate, just on his way back from an unpleasant operation and full as ever of spice and drollery, said that as a nation it is possible that we Americans talk too much.

"I might have talked too much myself," he said, "except for an incident that happened in my oratorical youth."

The chairman of the evening had indicated in 20 minutes that the forthcoming utterance of the Hon. James E. Watson would set a high point in eloquence. Mr. Watson had taken his first sip of ice water and cleared his throat. Then

the drunken man in the first row said very clearly:

"This guy Watson don't look so smart to me."

Mr. Watson maintains that, if every speaker were to get that treatment early in life, our public relations would be improved. He could wish that everyone who wants to make oratorical whoopee could get it the same way in his eloquent neck.

### Government as lobbyist

ONE of the little matters bothering Christian Herter—refer to a preceding paragraph—is the manner in which the federal lobby operates. All of the government agencies write letters, telephone, send telegrams, pour cocktails, and put on the social heat to get more money from the Government. All this at the expense of the Government.



Mr. Herter is vexed.

He is being ably assisted by Sen. Harry Byrd of Virginia, who has been vexed by the lobby's letters for a long time. Between them they are gathering a mass of vexation that the federal lobby might regard as ominous.

"Some damn fools," someone said a long time ago, "put it in writing."

### Cafe society in Casper

THE SENATOR said this talk about government insiders getting out of the grain pits with huge winnings produced in him a feeling of extreme onguee. It made him think of the time when the indignant citizenry raided the hog ranch in Casper, Wyo. This was during Casper's better days, when for the most part man was permitted to seek his simple pleasures without interference by the better element:

"The raid was a complete success," he said, "only that the day before the denizens of this abode of vice had all moved down the road to Chadron."

He said no one had to have inside knowledge to win on the grain market lately.

Everyone knew the Government was buying grain to ship abroad. That meant the price would go up and keep on going up. If the happy winners kept on in the grain market, which is inhabited mostly by slickers, he thought most of them would by this time have a new angle on civic honesty.

## It's Good Business to X-RAY Employees!

.....



Healthy employees make a healthier business. That's why alert executives are having fast Powers chest X-rays made of their employees.



It's good public relations and good business—for Powers X-rays unmask tuberculosis, even in its early stages. That protects all the workers, and gets to the source of much absenteeism and inefficiency.



Trained Powers teams come to your plant, do the job quickly, inexpensively and without disrupting routine. You pay only for results.



Find out about it now—write for the booklet "Health Protection through X-Ray."

**POWERS X-RAY PRODUCTS, Inc.**

Glen Cove, L. I., N. Y.

*Group Radiography*

## how to cut filing time with Pendaflex



if you've been filing this way . . . it takes

**hours!**



Try the PENDAFLEX way . . . it takes

**minutes**

Replacing the conventional folders in your cabinets with Oxford Pendaflex hanging folders is like bolting a new engine in the ol' buggy. You replace hours of filing time with minutes!

- **FUMBLE-FREE!** The one folder you want can't play hide and seek!
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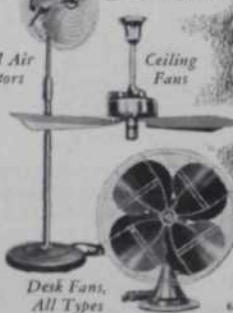
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## ADVERTISERS IN THIS ISSUE

MARCH • 1948

	PAGE		PAGE
American Credit Indemnity Company	58	Kentucky Chamber of Commerce, Inc.	98
VanSant, Dugdale, Baltimore		Edw. J. Spahn, Louisville	
American Telephone & Telegraph Company	3	Kimberly-Clark Corporation	4th Cover
N. W. Ayer, Philadelphia		Footo, Cone & Belding, Chicago	
Anheuser-Busch, Inc.	70	Lehigh Warehouse & Transportation Co.	87
D'Arcy Advertising, St. Louis		Willard B. Golovin, New York	
Autopoint Company	6	Libbey, Owens, Ford Glass Company	63
Ruthrauff & Ryan, Chicago		Fuller & Smith & Ross, Cleveland	
Bond Equipment Company	94	Lord Baltimore Hotel	86
Palan Advertising, St. Louis		Emery Advertising, Baltimore	
Bonnar-Vawter	96	May, George S., Company	4
Nash & Associates, Cleveland		Jim Duffy, Chicago	
Burlington Mills Corporation	2	Metropolitan Life Insurance Company	55
Hirshon-Garfield, New York		Young & Rubicam, New York	
Hurroughs Adding Machine Company	61	Metropolitan Oakland Area Committee	13
Campbell-Ewald, Detroit		Ryder & Ingram, Oakland	
Cardmaster Company	86	Missouri Division of Resources & Development	94
Paul Grant, Chicago		Potts-Turnbull, Kansas City	
Chamber of Commerce of The United States	95	National Cash Register Company	20
Direct		McCann-Erickson, New York	
Chevrolet Motor Company	32	Nation's Business	84
Campbell-Ewald, Detroit		Albert Frank-Guenther Law, New York	
Cities Service Companies	65	Nation's Business	81
Ellington & Company, New York		Direct	
Commercial Credit Company	73	New Hampshire State Planning & Development Commission	5
VanSant, Dugdale, Baltimore		Charles W. Hoyt, New York	
Cordley & Hayes	96	New York State Department of Commerce	74-75
Ralph H. Jones, New York		Kenyon & Eckhardt, New York	
Design, Incorporated	93	Operadio Manufacturing Company	64
Krupnick & Associates, St. Louis		Kennedy & Company, Chicago	
Dodge Division of Chrysler Corp.	15	Otis Elevator Company	99
Ross Roy, Detroit		G. M. Basford, New York	
Dominion of Canada	16	Oxford Filing Supply Company	101
Walsh Advertising, Toronto		Reiss Advertising, New York	
DoMore Chair Company, Inc.	86	Permanent Metals Corporation-Kaiser Aluminum	26
MacDonald-Cook, South Bend		Young & Rubicam, San Francisco	
Dunbar Glass Corporation	87	Powers X-Ray Products, Inc.	101
Advertising, Inc., Charleston		Albert Frank-Guenther Law, New York	
Eastman Kodak Company	57	Remington Rand, Inc.	30
J. Walter Thompson, New York		Leefer Advertising, New York	
Emerson Electric Mfg. Co.	102	Sheaffer, W. A., Pen Company	14
Anfenger Advertising, St. Louis		W. W. Garrison, Chicago	
Eureka Specialty Printing Company	93	South Carolina Research, Planning & Development Board	10
Reiss Advertising, New York		Liller, Neal & Battle, Atlanta	
Fairbanks, Morse & Company	12	Southern Railway System	28
Buchen Company, Chicago		Newell-Emmett, New York	
Felt & Tarrant Manufacturing Company	11	Todd Company	89
N. W. Ayer, Philadelphia		Merrill Anderson, New York	
General Motors Truck & Coach Division	24	Underwood Corporation	97
D. P. Brother, Detroit		Marshall & Pratt, New York	
Goodrich, B. F., Rubber Co.	1	Union Carbide & Carbon Corporation	69
Griseold-Eshleman, Cleveland		J. M. Mathes, New York	
Hamilton, Alexander, Institute	8	Union Pacific Railroad	77
St. Georges & Keyes, New York		Caples Company, Chicago	
Hardware Mutual Casualty Company	22	United States Envelope Company	8
Roche, Williams & Cleary, Chicago		Wm. B. Remington, Springfield	
Hercules Powder Company, Inc.	2nd Cover	War Assets Administration	9
Fuller & Smith & Ross, New York		Fuller & Smith & Ross, Cleveland	
Household Magazine	67	Yawman & Erbe Manufacturing Company	98
Buchen Company, Chicago		Charles L. Rumrill, Rochester	
International Harvester Co., Inc.	3rd Cover		
Aubrey, Moore & Wallace, Chicago			
Jack & Heintz Precision Industries, Inc.	7		
Griseold-Eshleman, Cleveland			

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